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CENTRAL STATISTICAL OFFICE

MONTHLY DIGEST OF STATISTICS

SUPPLEMENT

DEFINITIONS AND EXPLANATORY NOTES

Revised January 1971

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MONTHLY DIGEST OF STATISTICS

Definitions and explanatory notes

This *Supplement* gives definitions of items and units employed in the *Monthly Digest of Statistics* in more detail than is possible in the headings and footnotes of the tables in the *Monthly Digest* itself.

2. This issue replaces that published in January 1970.

3. The definitions relate to the tables as they appear in issue No. 301 of the *Monthly Digest* for January 1971. If further new series are added or changes are made in the *Digest* before the next issue of this *Supplement*, additional definitions will be given where necessary in the footnotes to the tables in the *Digest*.

4. The definitions in the *Supplement* also apply to corresponding items in the *Annual Abstract of Statistics* and the *Abstract of Regional Statistics* prepared by the Central Statistical Office and published by HM Stationery Office.
When annual figures such as appear in the *Monthly Digest* are given in greater detail in the *Annual Abstract*, the additional explanatory notes are shown in the *Annual Abstract*.

5. Weekly averages are used in the *Digest* where the basic figures are collected on a weekly basis, and also in a few cases, indicated by footnotes, where the basic figures are for calendar months. Where weekly averages are given for months they represent the totals of four-week or five-week periods divided by four or five respectively. The average of a five-week period is indicated by an asterisk throughout the *Digest*.

Central Statistical Office,
Great George Street,
London SW1
23 January 1971

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I. NATIONAL INCOME AND EXPENDITURE

The tables in this section are designed to bring up to date the estimates for calendar years given in *National Income and Expenditure 1970* (HMSO, 1970) and the quarterly estimates given in *Economic Trends*, October 1970. Definitions of the items appearing in the tables are given in *National Income and Expenditure 1970*. A detailed description of the sources, methods and definitions used in making the estimates is given in *National Accounts Statistics: Sources and Methods* (HMSO 1968) and is brought up to date in the notes to *National Income and Expenditure 1970*.

It is not always possible to record all the various items of expenditure in the tables on precisely the same basis or at the same point in time. For example, consumers' expenditure on alcoholic drink is estimated in practice from the quantities cleared from bond and not from the quantities sold; expenditure on goods and services by public authorities and capital expenditure by businesses during a given period may not coincide with the recorded output of the goods purchased, or with the incomes generated by this expenditure, during the same period. These inconsistencies, of course, affect the estimates for complete years; but they are likely to affect the estimates for shorter periods to a much greater extent. Hence only guarded conclusions should be drawn about changes in the pattern of expenditure, and in the relations between expenditure, income and output, from one quarter to another.

Each table has a section giving seasonally adjusted estimates which are designed to assist in the interpretation of the original unadjusted estimates.

Gross domestic product

The gross domestic product is a measure of the value of the goods and services produced by United Kingdom residents before providing for depreciation or capital consumption. The estimates of the gross domestic product are built up from largely independent data on incomes and final expenditure. But as it is not always possible to record all the various forms of expenditure and income on precisely the same basis or at the same point in time, there is a difference between the two sets of estimates. This difference appears as the 'residual error' and is presented as though it were an item of income. The movements in the residual error reflect inconsistencies between the various data on income and expenditure; these inconsistences are bound to be relatively larger for periods of less than one year than for complete years. The gross national product is equal to the gross domestic product *plus* net receipts from interest, profits and dividends earned abroad.

Index numbers of output at constant factor cost

In addition to that provided by expenditure at constant prices, an estimate of the total output can be obtained by the production method. This arrives at the gross domestic product by adding together the net output (including depreciation) of each industry.

The estimates are presented as index numbers seasonally adjusted. They are described in detail in Chapter V of *National Accounts Statistics: Sources and Methods*, and in an article in the October 1969 issue of *Economic Trends*.

Personal income, expenditure and saving

The personal sector includes unincorporated enterprises and non-profit-making bodies. Income is shown before tax and before providing for depreciation or stoc appreciation. The item 'personal saving before providin for depreciation, stock appreciation and additions to ta reserves' is obtained as a residual and is subject to a wi margin of error.

Consumers' expenditure

Consumers' expenditure covers all expenditure by th personal sector, including private non-profit-makin bodies serving persons, on goods and services for currer use; but it excludes business expenditure on cars, meal etc. which is allowed as a business expense in computin income for tax purposes of both employed and sel employed persons.

It includes expenditure on durable goods, for instanc motor cars, which from the point of view of the individu might more appropriately be treated as capital expendi ture. The only exception is the purchase of land an dwellings and costs incurred in connection with th transfer of their ownership, which are treated as persona capital expenditure.

The estimates of consumers' expenditure includ purchases of second-hand as well as of new goods, *les* the proceeds of sales of used goods.

Detailed definitions of the items of consumers' expendi ture identified in *National Income and Expenditure 197* are given in Chapter VI of *National Accounts Statistics Sources and Methods*. In the table in the *Monthly Diges of Statistics* some of these items are grouped togethe under the headings 'other goods' and 'other services'.

'Other goods' include household textiles, soft furnish ings and hardware; matches, soap and other cleanin materials, etc.; books, newspapers and magazines chemists' goods; miscellaneous recreational goods; othe miscellaneous goods; running costs of motor vehicles and income in kind not included elsewhere.

'Other services' include travel; communication services entertainment and recreational services; domestic service catering (meals and accommodation); wages, salaries etc. paid by private non-profit-making bodies; insurance other services (laundries, hairdressing, betting, etc.); an consumers' expenditure abroad *less* expenditure b foreign tourists, etc. in the United Kingdom.

Value of physical increase in stocks and work in progress

The quarterly estimates for manufacturing, wholesalin and retailing are based on information about the boo value of stocks supplied by a sample of companies t the Department of Trade and Industry. The figures fo manufacturing are based on returns from a panel c companies covering about two-thirds of total manu facturers' stocks and including most of the large companies, but those for wholesaling and retailing hav a narrower coverage. The figures for the latest complet year and succeeding quarters are based at first on th quarterly inquiry but are revised in the light of the result of the censuses of production and distribution and th annual inquiries into the distributive and service in dustries when these become available.

The volume figures are derived from the basic boo value figures in detail—industry group by industry grou —using as much information about the commodit composition of stocks as is available and a wide range c price index numbers. The seasonally adjusted series ar then obtained as the sum of the seasonally adjusted serie for different industry groups.

The figures are described in detail in Chapter XIII of *National Accounts Statistics: Sources and Methods.*

Gross domestic fixed capital formation

This comprises expenditure on fixed assets either for their replacement or the addition to existing fixed assets; expenditure on maintenance and repairs is excluded. Fixed assets include dwellings, other new buildings and works, vehicles, plant, machinery and other equipment, and the analysis by industry group covers these categories of asset. Land and existing buildings are a further category of fixed asset, the transactions in which, except for actual costs of transfer, must net out when aggregated for the country as a whole. Net transactions in land and existing buildings are included, however, in the analysis of gross domestic fixed capital formation by sector.

The figures are described in detail in Chapter XII of *National Accounts Statistics: Sources and Methods.*

Fixed capital expenditure in the manufacturing, distributive and service industries

The quarterly estimates are based on information supplied to the Department of Trade and Industry by a panel of companies which accounts for about two-thirds of the capital expenditure of the manufacturing industries, but less than this in the case of the distributive and service industries. The figures for the most recent quarters (and sometimes for the latest complete year) are based at first on the quarterly inquiry but are revised in the light of the censuses of production (in the case of manufacturing industry) and distribution and the annual inquiries into the distributive and service industries when these become available.

The figures supplied at current values are revalued at constant prices which are then seasonally adjusted. The figures for plant and machinery as well as for vehicles are 'net' of receipts from sales of such assets.

II. POPULATION AND VITAL STATISTICS

Population of the United Kingdom

De facto **or home population**

Census figures: All persons enumerated at Census midnight on land, in barges and boats on inland waters, in all vessels (other than ships of foreign navies) in ports or at anchorages, also persons in vessels on fishing or coastwise voyages which returned to port within three weeks from Census day, not having proceeded from a port outside Great Britain, Ireland or their adjacent islands. The population does not include members of the armed forces, mercantile marine or other civilians *outside* the country but does include the armed forces of other countries stationed in the United Kingdom.

Estimated figures: These are constructed from the latest Census prior to the mid-year concerned, with allowance for births, deaths, migration into and out of the country and variation in the disposition of the armed forces since the Census was taken together with an evaluation of the 1966 Sample Census. No adjustment is made, however, for the purely temporary seasonal net increase in visitors to this country in the summer months.

Total population

This is the *de facto* or home population, *plus* members of HM Forces overseas but excluding members of the armed forces of other countries temporarily in the United Kingdom.

Future total population

Estimates of the future total population of the United Kingdom are also included as a Supplementary Table in the April issue of the *Digest* and notes are appended on the assumptions used in preparing these projections. (There was some delay in the preparation of the table of projections based on 1969 and it appeared in the May 1970 issue of the *Digest.*) A similar table appears later in the *Annual Abstract of Statistics.*

Births, marriages and deaths

The numbers are those registered in the country during the periods shown.

The number of births registered in a period differs somewhat from the number of births which occur in that period because of the varying time-lag between a birth and its registration.

Deaths include those of members of the armed forces in the United Kingdom but exclude any which occur abroad.

Stillbirths are excluded throughout.

III. LABOUR

Comprehensive employment statistics based on the national insurance scheme are available from mid-1948, and have been published for Great Britain in the *Digest* since March 1949. The figures previously published for dates before mid-1948 were based on the unemployment insurance scheme, which excluded large classes of workpeople who are now included, and for this and other reasons it is not possible to produce figures for those earlier dates on a basis comparable with the current series.

The industrial analyses of employed and unemployed persons are based on the *Standard Industrial Classification* (published by Her Majesty's Stationery Office). From June 1969 they are based on the 1968 edition. The bases of all industrial analyses are shown in each table.

From January 1969, the general employment tables have been revised substantially. Employment figures are now shown both for Great Britain and United Kingdom. Employment figures for Great Britain, which were formerly given in the *Digest* in Standard Industrial Classification minimum list heading detail, are published each month in the *Department of Employment Gazette.*

Distribution of working population

The figures, which relate to mid-month, are estimates of the total numbers gainfully employed, of all ages and occupations, including employers and persons working

on their own account as well as employees; they cover HM Forces and Women's Services as well as civil employment (including persons temporarily laid off), together with persons registered as wholly unemployed. Persons in part-time paid employment and persons whose employment is regarded as 'inconsiderable' for the purposes of the national insurance scheme are included and each of them is counted as a unit in the figures.

Industrial analysis of employees in employment

The figures for the middle of each year are based on the estimated numbers of employees (employed and unemployed) in each industry as derived from the count of national insurance cards due for exchange in June (part-time workers are counted as full units), *less* those registered as wholly unemployed.

Employees in employment: Production industries

June figures are obtained as described above. For Great Britain figures for other months are obtained by application of the percentage changes in the numbers employed derived from the returns rendered by employers under the Statistics of Trade Act, 1947. (Returns are at present received from all establishments in manufacturing industries with 100 or more employees and one-quarter of those with 11–99 employees.) For Northern Ireland, numbers derived from the quarterly counts of national insurance cards are analysed by industry; figures for other months are estimated. Figures relate to mid-month.

Staff employed in the Civil Service

'Civil servants', for the purpose of counting numbers of staff employed, are civil employees of the Crown (excluding holders of political office) whose pay is voted each year wholly and directly by Parliament. The staffs of grant-aided bodies (e.g. Forestry Commission, Atomic Energy Authority) are thus excluded. The returns of staff made quarterly to the Civil Service Department by government departments are divided into non-industrial staff whose pay and conditions of service are negotiated with relevant staff associations, and industrial staff.

Non-industrial staff consist of administrative, executive, clerical and typing staff; professional, scientific and technical grades; and messengers, porters, cleaners, etc. Post Office staff, except for a few hundred industrial workers, were included up to the formation of the Post Office as a new public authority on 1 October 1969. Staff locally engaged overseas are not included, but staff engaged in the United Kingdom and serving abroad (e.g. in the Diplomatic Service and in the Ministry of Defence) are included.

The non-industrial figures in the *Digest* do not agree with those given in the table showing the distribution of the working population in Great Britain under 'National government service', since the latter term is a residual sub-heading of the Standard Industrial Classification covering all civil servants both industrial and non-industrial who are not in occupational units specifically covered elsewhere in the Classification, e.g. dockyard and ordnance factory workers, museum staff, etc.

Numbers employed in agriculture

The table shows the number of British and foreign workers (excluding the occupier and his wife, domestic servants, and children still at school) employed on the day of the census on agricultural holdings of more than one acre in Great Britain up to June 1969, and of one acre or more in Northern Ireland. With effect from June 1970 the census was extended in Great Britain to cover all holdings with significant output including those of one acre of agricultural land or less.

Regular workers absent through sickness or holiday and working partners of the occupier are included.

Seasonal and casual workers and persons temporarily employed in agriculture, although ordinarily employed in other industries, are included in the figures for 'All workers'. Seasonal, casual or temporary labour is defined as including contract work, that is, labour supplied by Divisional Office trading services of the Ministry of Agriculture, Fisheries and Food, contractors or gang masters for farm work by the piece, the job, the hour or the week. For Great Britain 'Regular workers' include regular part-time workers. For Northern Ireland the term 'Regular workers' covers only regular full-time workers.

Constructional work: number of operatives employed by contractors

The employment figures show the total number of men employed on a pay day about the middle of the month and include those employed by contractors on opencast coal sites.

Overtime and short-time in manufacturing industries

The monthly employment returns rendered by employers under the Statistics of Trade Act give particulars about short-time and overtime worked in manufacturing industries, other than shipbuilding and ship repairing, in a specified week. These particulars relate to operatives only, that is, they exclude administrative, technical and clerical staffs, and the overtime figures also exclude maintenance workers.

Broadly speaking, returns are received from all establishments in manufacturing industries with 100 or more employees and one-quarter of those with 11–99 employees, but the figures for short-time and overtime given in the *Digest* include an estimated allowance for the employers with 11–99 employees not required to render returns.

Persons registered as unemployed

The current figures include all unemployed persons on the registers of employment exchanges and youth employment service careers offices in Great Britain with the exception of registered severely disabled persons who are unlikely to obtain work other than under special conditions. They represent the numbers on the registers who were actually unemployed on the Monday of the count and were capable of and available for work. The numbers of married women unemployed are shown separately.

The figures distinguish those out of work (wholly unemployed) from those working short-time or otherwise suspended from work on the understanding that they were shortly to return to their former employment (temporarily stopped). The wholly unemployed are subdivided to show those who had, at the date to which the figures relate, been unemployed continuously for two weeks or less, for more than two weeks but not more than eight weeks, and for more than eight weeks. Separate figures are also given for broad industry groups and for each region. Figures are also given of the numbers receiving unemployment benefit and supplementary allowance.

The number of persons registered as unemployed in Northern Ireland is shown in the general and regional tables.

Seasonally adjusted unemployment statistics

The seasonally adjusted unemployment figures relate to registered wholly unemployed persons, excluding those under 18 not in full-time education who have not yet entered insured employment (described as 'school-leavers') after adjustment for *normal* seasonal variations by the method described in the September 1965 issue of the *Ministry of Labour Gazette*. This method is currently under review by the Central Statistical Office Research Unit and may shortly be revised. Details of any changes in the method of seasonal adjustment will be provided in the *Department of Employment Gazette*. Separate figures are given for males and females and for the following broad industry groups—all industries covered by the Index of Production with separate figures for manufacturing and construction; agriculture, forestry and fishing; transport and communication; distributive trades; catering, hotels, etc.; and all other industries and services.

Vacancies filled and unfilled

The table shows the number of vacancies filled in Great Britain at employment exchanges and youth employment service careers offices, together with the number of vacancies notified to employment exchanges, etc. remaining unfilled at the end of each monthly period. Separate totals are given for males and for females, and each of these classes is sub-divided into adults (18 years and over) and young persons under 18 years.

In interpreting these statistics it should be remembered that the figures relate only to vacancies notified to the placing agencies mentioned above. They do not purport to represent the total number of vacancies to be filled. Some employers do not notify vacancies to employment exchanges, but prefer to rely on other methods for finding workpeople and some industries (e.g. sea transport) have special arrangements for filling vacancies. Further, employers who do use the employment exchange service may in certain circumstances (e.g. when they require large numbers of additional workpeople, or where labour of the kind they require is scarce) have a standing order with the employment exchange to submit all suitable applicants to them without notifying any specific number of vacancies; the vacancies remaining unfilled in such instances will not be included in the figures.

For Northern Ireland the table shows vacancies filled by and notified to the local offices of the Northern Ireland Ministry of Health and Social Services.

Industrial stoppages

This table shows the number of workers involved and the total number of working days lost in stoppages of work arising from industrial disputes in the United Kingdom. The statistics relate to stoppages of work due to disputes connected with terms and conditions of employment. They exclude stoppages involving fewer than 10 workers or lasting less than one day unless the aggregate number of working days lost in the stoppage exceeds 100.

The totals for workers include those directly participating and also workers at the same establishments who were indirectly involved, i.e. thrown out of work at the establishments where the stoppages occurred, but not themselves parties to the disputes. When a stoppage began in one period and continued into another the workers have been counted only in the period in which they ceased work. When the same workers were involved in two or more stoppages in any period, they have been counted in the totals on each occasion.

The aggregate number of working days lost in any period is the number lost in that period through all stoppages in progress, irrespective of when the stoppages began.

Students in grant-aided establishments for further education

The definitions which follow apply to the series shown in the *Annual Abstract of Statistics* and the *Abstract of Regional Statistics*.

Sandwich courses

These differ from full-time courses in that the period of study in college is broken by a period (or periods) of industrial training forming an integral part of the course. Courses in which the period spent in college, taken over the whole course (in college and industry), averages eighteen weeks or less a year are treated as block release courses and included in the figures for part-time day courses.

Part-time day courses

Most of the students taking part-time day courses are employed by firms who release them for one or two days a week.

IV. SOCIAL SERVICES

Expenditure on social services and housing

A statement of public expenditure on social services and housing is published in the May issue of the *Monthly Digest of Statistics* and in the *Annual Abstract of Statistics*. In both publications a brief account is given of the definitions and terms used in the tables.

National insurance

Sickness benefit and injury benefit

Under the National Insurance Acts, nearly the whole of the civilian working population aged 15 years and over but not yet retired can qualify for sickness benefit, including not only those employed under contract of service but also the self-employed. There are, however, over 4 million employed persons who do not qualify including over 3½ million married women who have elected not to pay flat-rate contributions.

The numbers of new claims for sickness benefit are derived from the number of first medical certificates received by the Department of Health and Social Security. The estimated number of insured persons absent from work on account of sickness represents persons for whom claim papers are in action *less* an estimate of the number no longer incapacitated *plus* an allowance for claims not yet received.

The National Insurance (Industrial Injuries) Acts, under which claims to injury benefit are made, applies to almost all civilians working for an employer under contract of service or apprenticeship. The number of new claims for injury benefit and the estimated number of persons absent from work because of industrial accident or occupational disease (that is, a disease prescribed for the purpose of the Act, such as lead poisoning) are obtained in the same way as those for sickness benefit.

A small number of claims do not result in payment of benefit but, because they indicate certified incapacity for work, they are included in the figures.

Unemployment benefit

Most unemployed persons who normally work for an employer can qualify for unemployment benefit. The main exceptions are those married women who have elected not to pay flat-rate contributions. Self-employed persons and non-employed persons are not eligible for unemployment benefit.

Retirement pensions

Retirement pensions, as the name implies, are payable on retirement from regular work provided the minimum age (65 for men, 60 for women) has been reached and the necessary insurance and contribution conditions are satisfied. From age 70 (65 for women) the retirement condition no longer applies.

A married woman can receive a pension through her husband's insurance provided that the retirement and age conditions are satisfied by both.

Widows' pensions and widowed mothers' allowances

These are payable, subject to certain conditions, from the end of the initial period of six months from the date of widowhood, during which widows' allowances are paid at a higher rate. Where the husband died before 6 July 1966, this initial period was three months. A widow's pension continues, unless the widow remarries, until she reaches the age of 65 or, after the age 60, notifies retirement from work, when it is replaced by a retirement pension. A widowed mother's allowance continues so long as a widow has at least one child of school age or, if living at home or continuing full-time education elsewhere, under age 19. Contributions are credited so long as a widow's benefit (other than a widow's 30*s.* pension) continues in payment, to help her to satisfy the retirement pension condition requiring an average of 50 contributions a year up to age 60 for payment of the full standard rate.

Family allowances

Weekly allowances are paid for each child in the family after the first below the age limit. This is, in general, the normal school-leaving age (15), but if the child is still at school or is an apprentice the allowance is paid until the 19th birthday.

Supplementary benefits: Pensions and allowances

Benefits under the Ministry of Social Security Act

Under Part II of the Ministry of Social Security Act, 1966, 'every person in Great Britain of or over the age of sixteen whose resources are insufficient to meet his requirements shall be entitled, subject to the provisions of this Act, to benefit as follows, that is to say:

(*a*) if he has attained pensionable age, to a supplementary pension,

(*b*) if he has not attained pensionable age, to a supplementary allowance.'

Requirements and resources are computed for this purpose in accordance with Parts II and III of Schedule 2 to the Act and regulations made under Section 5(2) of the Act.

These benefits replaced grants under the National Assistance Act, 1948 on 28 November 1966 and pensions under the Old Age Pensions Act, 1936 on 2 December 1966.

National Health: Hospital services

The figures are taken from returns made half-yearly by hospital authorities to the Department of Health and Social Security and the Scottish Home and Health Department.

Staffed beds

This figure includes staffed beds which are temporarily unavailable.

Occupation of beds

The figures are obtained by taking the total of the daily numbers of in-patients for the year (at the night count) and dividing by the number of days in the year. An in-patient, for this purpose, is a person who has gone through the full admission procedure and is occupying a bed in the in-patient department at the hour of the fixed count.

The following are not counted as in-patients:

infants born in maternity departments (except those who are receiving treatment as patients in their own right);

sick staff treated in their own quarters;

mentally ill or mentally handicapped patients on leave;

short-term in-patients: patients who, although they have gone through the full admission procedure, were not accommodated overnight or were not included in the bed count;

day patients: patients who, not having gone through the full admission procedure appropriate for in-patients, attend hospital other than as out-patients and are provided with treatment and care as though they were in-patients but return home at night;

night patients: patients who attend the hospital, other than as out-patients or day patients, in the evening without going through the full admission procedure applicable to in-patients and who are provided with treatment as if they were in-patients remaining in hospital for the one night.

Discharges and deaths

The figures shown include all patients who have gone through the full in-patient procedure and who have subsequently been discharged or have died. Infants born in a maternity department and sick staff treated in their own quarters are not included.

Waiting list

This column shows the total number of patients recorded on waiting lists of all hospitals.

Out-patient attendances

An out-patient is defined as a person attending an out-patient department for a specific course of treatment, consultative opinion or diagnosis.

Each attendance of a course or series is included in the year in which the attendance occurred. Persons attending

more than one department are counted in each department.

Consultant departments: attendances include subsequent attendances of patients who have been seen by a consultant and return for treatment or surgical dressing by a nurse, unless the nurse's attention is in effect the completion of the attendance with the consultant.

Accident and emergency departments: attendances are those of patients who arrive at a hospital unannounced and are seen and treated otherwise than at a consultative session.

General practitioner departments: attendances are those of patients seen by general practitioners who are acting neither as specialists nor as clinical assistants to specialists. Ante-natal patients seen by midwives, i.e. those cases booked by general practitioners under Part IV of the National Health Service Act and those booked by midwives under the Midwives Act, and patients seen by nurses responsible to a general practitioner are included.

National Health: Executive Council services

Under the National Health Service Act, 1946, 119 Executive Councils in England and 15 in Wales and, under the National Health Service (Scotland) Act, 1947, 25 in Scotland administer the local medical, dental, pharmaceutical and general ophthalmic services.

Pharmaceutical services

These figures represent the number of national health service prescriptions of drugs, medicines and specified appliances dispensed by retail pharmacies, drug stores and suppliers of surgical appliances in contract with the Council. Most of the items are supplied on national health service prescriptions given by the family doctors (other than by doctors who themselves dispense for their patients), but a small number is given by dentists and at national health service hospitals and clinics and at such stations of Service departments as have no dispensing facilities.

Dental services

A dentist in accepting a patient undertakes to provide the treatment needed to achieve dental fitness, except in emergency cases where the treatment is limited to certain items (e.g. the extraction of one or two teeth or a denture repair). The course is complete when this treatment—or such of it as the patient is willing to undergo—has been carried out.

The figures include full courses and emergency cases which were scheduled for payment during the period.

General ophthalmic services

These services provide for the testing of sight and, if necessary, the supply of glasses. They operate in conjunction with the Hospital Eye Service which provides for the diagnosis and treatment of diseases or defects of the eyes and for the supply of optical appliances.

Persons may have their sight tested by any ophthalmic medical practitioner or ophthalmic optician on the list of an Executive Council but, on the first occasion of using the general ophthalmic services, an applicant requires a doctor's recommendation that a sight test is necessary.

A prescription for glasses, after being approved by the Ophthalmic Services Committee of the Executive Council (in Scotland by the appropriate Joint Ophthalmic Services Committee) may be dispensed by any ophthalmic or dispensing optician on the list of an Executive Council.

A range of frames is available under the National Health Service but patients are required to pay the full cost of the frames selected. Patients pay a statutory charge for lenses provided under the service. Additional charges are imposed for certain lenses if they are not clinically necessary. Subject to certain conditions, lenses supplied under the general ophthalmic services may be fitted to privately supplied frames at the applicant's specific request. Glasses for children under 10 are supplied to the patient free of charge provided that the frames are chosen from a special limited range. Children who have reached 10 years of age and either are under 16 years of age or, if age 16 or over, are still attending full-time at school, may also receive free of charge glasses using frames from the children's range. Alternatively they may be supplied with free lenses if any other NHS frame is used: the charge for the frame must then be paid. The figures of glasses paid for include all the cases described above.

A number of approved prescriptions given following sight tests result in glasses being supplied privately. These are not included in the figures of glasses paid for.

V. AGRICULTURE AND FOOD

Crops and grass

Area

Up to June 1969 the statistics of area relate to agricultural holdings of more than one acre in extent in Great Britain and of one acre or more in Northern Ireland, The areas shown exclude woodlands, buildings, roads, yards and ponds, etc. With effect from June 1970 the census was extended in Great Britain to cover all holdings with significant output including those on one acre of agricultural land or less.

The figures for specific crops relate to those which are actually in the ground on the date of the June census or for which the land is being prepared at that date. Any catch crops grown for livestock feed or for ploughing-in in the period between the harvest and the sowing of the next season's main crop will not be shown in the acreage returns. The case is similar for horticultural crops.

Individual crop acreages are returned to the nearest quarter-acre and include headlands, ditches and hedges attributable to the particular crop. Any crops not specified in the return or grown in patches of less than one-eighth of an acre are shown under the heading 'Other crops'.

In Scotland the permanent grass acreage relates to grass 7 years old or over.

In Northern Ireland permanent grassland for mowing refers to grass more than 3 years old.

Quantity harvested

Except for sugar beet and hops, the estimates of the

quantity harvested of agricultural crops are obtained by combining the production acreages with estimates of yield per acre made by technical officers employed by the Ministries of Agriculture in England and Wales and Northern Ireland and by crop reporters in Scotland up to 1964. From 1965 the Scottish yield estimates for wheat, barley and oats are based on sample surveys of farms and this method of estimating yields was extended to the potato crop from 1966. In England and Wales the acreage used is reduced by the estimated area on which the produce failed in the early stages, was cut green, ploughed in or, in the case of root crops other than potatoes, was used for seed. This is called the 'production acreage'. The published estimates are prepared for all countries in November and are made on a parish basis in England and Wales, by region for Scotland and on a rural district basis in Northern Ireland. The production acreage of sugar beet is the area returned at June *less* that grown for seed; production figures are supplied by the British Sugar Corporation and the yield per acre is obtained by dividing the production figure by the production acreage. Production figures of hops are supplied by the Hops Marketing Board and the area returned at June is used to obtain a yield per acre.

In the case of horticultural crops the quantity harvested in England and Wales is calculated by multiplying yield estimates supplied by Horticultural Crop Intelligence Committees and technical officers of the Ministry by, for vegetables and small fruit, the appropriate cropped areas. The cropped acreages are based on either one or more of the five censuses covering horticultural crops, or, for certain crops, on estimates made by the Ministry. For top fruit, the area is based on the Orchard Fruit Censuses held every four years with estimates for the intervening years.

In Scotland the quantity harvested is calculated for ten crops (raspberries, strawberries, tomatoes, peas for canning, carrots, lettuce, cauliflower, brussels sprouts, cabbage and leeks) by multiplying yield estimates based on the results of a sample survey with acreages returned at one of the two agricultural censuses, adjusted where necessary for double cropping. For other vegetables and fruit, yield estimates are supplied by technical officers of the Department.

In Northern Ireland the quantity harvested of all fruit and vegetables is calculated by multiplying yield estimates supplied by technical officers of the Ministry by the total crop acreages obtained from the June and December censuses. The working is on a rural district basis.

Livestock

Up to June 1969 the tables show the number of cattle, sheep, pigs and poultry as returned by occupiers of agricultural holdings of more than one acre in Great Britain and by all owners of livestock in Northern Ireland. With effect from June 1970 the census was extended in Great Britain to cover all holdings with significant output including those on one acre of agricultural land or less.

For England and Wales the June figures are the results of a full census; at December, returns are collected from a one-third sample only. In Scotland and Northern Ireland both the June and December figures are the results of full censuses.

Disposals of food and animal feedingstuffs

Disposals are estimated from home production and imports, adjusted for changes in the known stocks held in warehouses, cold stores, etc. by wholesalers, importers, manufacturers and the government; they include deliveries to manufacturers of non-food products, and to exporters except where otherwise defined. As these deliveries are quantitatively important for potatoes, sugar and fish, separate figures of disposals for food in the United Kingdom are also given for these commodities. 'Disposals for food in the United Kingdom' include use in the manufacture of other foods (e.g. sugar in jam, biscuits and sweets), certain disposals to HM Forces, and ingredients used in manufactured products which are exported. Disposals are, therefore, not the same as retail purchases.

Cereals and cereal products

Sales of home grown grains for food

For wheat the receipts of home grown supplies by flour millers are shown and small quantities subsequently sold again for animal feed are therefore included. For barley the receipts of home grown supplies by brewers, maltsters, flakers, roasters, distillers and pot barley manufacturers are shown and exported supplies are included. For oats the receipts by oatmeal millers of home grown supplies for processing into human food are shown.

Wheat and oat milling

The tables show the quantities of home produced and imported wheat milled and the amount of flour produced; the resulting production of wheat offals appears in the table of animal feedingstuffs. Stocks of wheat and flour include wheat and flour expressed in terms of wheat held by flour millers and, from January 1960, by manufacturers of cereal breakfast foods.

Only the quantities of oats used in establishments milling primarily for human food are included in the series described as oats milled. The products of oat-milling are similarly restricted to all cuts of oatmeal, flakes, rolled oats, oat flour, groats, and any other product produced for human food. Stocks of oats are those held by main processors, including oatmeal millers, provender millers and compound feedingstuff manufacturers. They include not only whole grain but some processed grain held by provender millers and compound feedingstuff manufacturers.

Barley

Disposals for food and brewing refer to the quantities of home grown and imported grain used by brewers, maltsters, flakers, roasters, distillers, and pot barley manufacturers. Exports are included. Stocks are those held by main processors, including brewers, maltsters, distillers, provender millers and compound feedingstuff manufacturers. They include not only whole grain but some processed grain held by provender millers and compound feedingstuff manufacturers.

Biscuits

The following types are included: chocolate biscuits, fully and partially coated; sweet and semi-sweet biscuits; plain biscuits; rusks, crispbreads, matzos and oatcakes; wafers and cones.

Animal feedingstuffs

Maize

Not only maize and maize meal used as animal feed but supplies of maize used by manufacturers for the production of starch, glucose, cereal breakfast foods and for distilling are included. Stocks are those held by main processors, including cereal breakfast food manufacturers. They include not only whole grain but some processed grain held by provender millers and compound feedingstuff manufacturers.

Oilcake and meal and wheat milling offals

The supplies of oilcake and meal are those resulting from the crushing of oil-seeds and nuts for oil. Wheat milling offals (wheatfeed) are a residual from the milling of home grown and imported wheat. In each case disposals are the sales by oilseed crushers (oilcake and meal) and flour millers (wheatfeed) to dealers, provender millers and compound feedingstuff manufacturers. Stocks of oilcake and meal are those held by the main processors, including crushers, provender millers and compound feedingstuff manufacturers and importers. Stocks of wheat offals are those held by all main processors, including flour millers, provender millers and compound feedingstuff manufacturers.

Compound feedingstuffs

Only commercial production from home produced and imported raw materials is included. Compound feedingstuffs includes grain balancers and concentrates. Material supplied by farmers for processing to their own requirements is excluded.

Potatoes

The figures relate to the United Kingdom; those for Great Britain have been provided by the Potato Marketing Board, and those for Northern Ireland by the Ministry of Agriculture for Northern Ireland.

Sales of potatoes from farms are the quantities sold for food, for processing and for export, and include an estimate for human consumption in farm households and the surplus potatoes fed to livestock or processed under Schemes for implementing the Agriculture Act, 1947. Production on allotments and gardens, potatoes used for seed, potatoes fed to livestock outside the Schemes, and surpluses for which compensation has been paid are excluded.

Disposals for food in the United Kingdom are the total quantities of potatoes, as recorded by the Potato Marketing Board, moving into human consumption from all sources except non-agricultural holdings.

Sugar

Production relates to refined and raw sugar (in terms of refined) from home grown sugar beet, as recorded by the British Sugar Corporation.

Disposals for food in the United Kingdom include sugar used in the manufacture of products such as confectionery and jams for export, as well as for home consumption; they also include the refined equivalent of sugar used in the production of syrup and treacle and other sugars, for example, invert sugar and caramel. Stocks include imported and home produced supplies of refined and raw sugar (in terms of refined) held in the United Kingdom by refiners and by the British Sugar Corporation.

Glucose

The figures cover the production of liquid and solid glucose and dextrose monohydrate.

Jam and marmalade

The figures show the quantities produced, delivered and held in stock by manufacturers.

Animals slaughtered, meat produced and meat stocks

Animals slaughtered

The figures are those of animals slaughtered in the United Kingdom, including imported fat animals. From July 1954 they are derived from returns recording slaughterings in public and licensed slaughterhouses, including bacon factories. Unrecorded domestic slaughter and slaughter in knackeries are excluded. Slaughterings of poultry are derived through census returns together with statistics on chick-placings for, and packing-stations throughput of, table poultry.

Meat produced

From July 1954 the figures represent the estimated production of carcase meat (including trimmings from bacon pigs) and offal from slaughterings as defined in the preceding paragraph, and from information available on dressed carcase weights. Pig meat used for the production of bacon and ham is excluded.

Meat stocks

The figures represent the stocks of imported meat held in public and government owned cold stores, but not in stores reserved for private concerns or in undischarged cargoes. Prior to January 1964 meat stored below 14°F was excluded.

Poultry meat

Estimates of production are on the basis of dressed carcase weights (oven ready).

Bacon and ham

Production figures relate to the output of curing factories from both home-killed and imported carcases; small-scale commercial production and production by pig clubs or other domestic producers is excluded.

Disposals include supplies of home produced or imported bacon and ham moving into consumption and also such supplies as are used for canning in the United Kingdom. They do not include any imported canned bacon and ham.

Canned meat

Figures of production relate to all types of canned and bottled meat and meat products. Meat extracts and essences, soups and pastes are, however, excluded.

Home produced or imported meat or bacon and ham used for canning are included also in the figures of home production or imports of those commodities.

Fish and fish products

Fish

Fish, fresh, frozen and cured, excludes shellfish.

British landings (freshwater fish is excluded) are the quantities of fresh fish and edible offal landed by the home fishing fleets. Since 1954 landings of frozen fish and salted fish are also included; the former can be landed whole, headless or as fillets and is expressed in fresh landed weight equivalent; the latter is landed extremely rarely.

Total disposals are measured in terms of landed weight. Fresh, frozen and cured fish, of both British and foreign taking, and imported freshwater fish are included. Disposals for food in the United Kingdom are the weight, as landed, of all fresh, frozen and cured fish intended for human consumption. Fish used for canning (from 1969, excepting the canning of pet foods), whether for home consumption or for export, and for curing for home consumption is included. The landed weight of exported supplies of fresh, frozen and cured fish, fish taken by fishmeal manufacturers, fish condemned or unsold, and from 1969, fish used for pet food manufacture, is excluded. The series 'Filleted weight' shows the estimated edible equivalent, on a fresh fish basis, of the fresh, frozen and cured fish intended for human consumption.

Canned fish

The principal varieties of fish canned are herrings, sild, brisling and pilchards. Canned roes are included, but bottled fish and bottled shell fish are excluded. The production of canned fish is published only in the *Annual Abstract of Statistics*.

Oils and fats

The quantity of oilseeds and nuts processed by crushing, expelling and extraction is recorded, and also the resulting production of crude vegetable oil.

The crude oil equivalent of the refined oils used in the manufacture of margarine and compound fat and other foods is included in the disposals of vegetable oils, together with the crude oils used as such for soap and other industrial purposes. Exported supplies are included in the disposals. Teaseed and olive oil are included but tung, stillingia, oiticica and copaiba oils are excluded.

The crude oil equivalent of the refined herring and other marine oils used in the production of margarine and compound fat is recorded as the disposal of marine oils. Between 1954 and 1959 inclusive, disposals are only of whale oil.

Butter contained in butter-blended margarine is included in the production of margarine.

Stock figures include the quantities of oilseeds and nuts, vegetable oils and marine oils respectively held by seed crushers, hardeners and refiners of oil and manufacturers of margarine, compound fat and soap.

Milk and milk products

The figures cover milk sold through the marketing schemes for use as liquid milk and for the manufacture of milk products including cream and farmhouse cheese. The quantity consumed by farm households and used on farms for butter and cream production or calf rearing is excluded.

Milk is provided free or at a reduced price under the National Milk Scheme for expectant and nursing mothers and for children under five years of age. Up to September 1968, free milk was provided in all schools, but from that date it was restricted to state maintained primary schools.

Milk products

Figures for butter relate to the output of home creameries and are based on milk usage; production of butter on farms is excluded. Butter stocks represent the stocks of imported butter held in public and government-owned cold stores, but not in stores reserved for private concerns or in undischarged cargoes. Prior to January 1964 butter stored below 14°F was excluded.

Figures for cheese relate to all home produced cheese other than the small quantities produced on farms outside the Farm Cheesemakers' Scheme. Figures for processed cheese are excluded as it is a re-manufacture of home produced and imported cheese.

The condensed milk and milk powder series relate throughout to the quantities produced from full-cream or skimmed milk.

Eggs in shell

The figures show the estimated disposals of hen and duck eggs produced for human consumption in the United Kingdom, together with imported eggs.

Canned and bottled fruit, canned vegetables and canned soups

Fruits canned or bottled in the United Kingdom include home grown plums, apples, all varieties of soft fruit, and rhubarb; fruits such as peaches, pears and pineapples, imported either fresh or in containers, and canned here are also included. Stocks are those held by manufacturers.

The chief varieties of vegetables canned are peas (either fresh or processed) and beans in tomato sauce, but carrots, potatoes and other roots, certain green vegetables, and macaroni and spaghetti in tomato sauce are also included. Stocks are those held by manufacturers.

Vegetable soups are included in the figures of canned soups. The production of canned soups relates to the ready-to-serve equivalent from 1961 onwards; earlier figures relate to the net can content.

Foods specially prepared for invalids, babies and young children are excluded.

Cocoa beans

Disposals are the quantities of raw cocoa beans used for grinding in the United Kingdom and exclude re-exports.

Chocolate and sugar confectionery

Medicated confectionery is excluded. Disposals include exports but not re-exports. Stocks are those held by manufacturers only.

Tea

Disposals are the quantities moving into consumption and exclude re-exports. Stocks comprise tea held in public warehouses including the quantity entered for Customs but not yet landed, and amounts held by primary wholesalers.

Raw coffee

Disposals are the total quantities, in terms of raw coffee equivalent, used for all purposes. They include re-exports of raw beans and exports of processed coffee. Stocks comprise raw coffee in public warehouses and in transit to such warehouses and, since 1963, manufacturers' stocks.

Soft drinks

Concentrated (squashes, cordials, etc.) and unconcentrated (table waters, etc.) drinks are differentiated. Glucose and diabetic drinks and fruit juices (including unfermented apple juice but not tomato juice) are included. Production from flavouring compounds is also included but not the production of flavouring compounds as such, nor of soft drinks in solid form; spa waters are not included.

Tobacco

The figures are supplied by HM Customs and Excise.

Warehouse stocks

Stocks figures relate solely to the quantities of imported unmanufactured tobacco actually remaining in the bonded warehouses of the United Kingdom at the end of each period; quantities in transit between ship and warehouse, or in transit between warehouses, are excluded.

Quantities duty-paid

Most of the tobacco smoked in the United Kingdom is imported as leaf tobacco and manufactured into cigarettes, etc., after arrival. Normally duty is paid, not at the time of importation, but subsequently when the tobacco is removed from bonded warehouses into the tobacco factories. Duty is repaid on exports, etc. and on certain tobacco waste.

Unmanufactured leaf

Rates of duty. The quantities shown distinguish between tobacco admitted at the rates applicable to tobacco from the Commonwealth preference area and from countries outside that area.

Manufactured products

These figures show the quantities of tobacco which are imported in manufactured form. They also include 'Cavendish' (i.e. sweetened tobacco) manufactured from imported leaf in bonded premises in the United Kingdom.

Net quantity duty-paid

This figure shows the amount of duty-paid tobacco retained for consumption in the United Kingdom.

Alcoholic drinks

The figures are supplied by HM Customs and Excise, who can supply more detailed information if required.

Spirits

The quantities are given in proof gallons. Proof spirit is spirit which at a temperature of 51°F. weighs 12/13ths of an equal volume of distilled water. It contains 49·28 per cent of alcohol by weight or 57·1 per cent by volume at 60°F. At 70 degrees proof (the typical strength at which most whisky is sold in the United Kingdom) a proof gallon is equivalent to about 8⅔ normal bottles.

Production figures in the *Monthly Digest* show the quantity of spirits distilled from malt and from unmalted grain for beverage consumption. The *Annual Abstract* series includes, in addition, a small quantity of beverage spirits produced by rectification of spirits distilled from molasses; in the financial year ended 31 March 1970 this amounted to about 0·19 million proof gallons a month.

The consumption figures show the net quantities of spirits on which duty was paid, analysed by their description at the time of duty payment. (Repayments are offset against the month in which the revenue is repaid.) In reading the figures it should be borne in mind that they do not in all cases indicate the form in which the spirits are finally sold, because gin and other compounded spirits can be made from duty-paid spirits of other descriptions. Mature spirits are spirits which have been warehoused for three years or more: delivery of immature spirits for home consumption is restricted to compounded or rectified spirit.

Imported liqueurs: These comprise spirits, whether mature or immature, which at the time of duty payment contain added sweetening materials, i.e. they represent the quantity under Tariff Heading 22.09(A) *plus* 'other sweetened spirits' from Heading 22.09(B). A small quantity measured in liquid gallons (instead of proof gallons) is included. (Liqueurs manufactured in the United Kingdom are made from spirit on which the duty has already been paid and HM Customs and Excise therefore are unable to provide figures of the quantities of such liqueurs.)

Other imported immature spirits: Comprises mainly neutral spirit imported for compounding into British gin, etc., and includes Geneva and (from 1 September 1966) some types of unsweetened vodka.

Home-made mature spirit: This is almost exclusively whisky.

Home-made immature spirit: This comprises the quantity of plain spirit duty-paid prior to rectification or compounding, *less* the quantity of compounded spirit re-warehoused on drawback after rectification, etc., *plus* the quantity of compounded, etc. spirit duty-paid ex-warehouse for final consumption. The addition of the two columns for immature spirits shown in the *Monthly Digest* table gives a rough indication of the home consumption of gin and vodka made in the United Kingdom.

Medical spirit: This comprises spirit (mainly home-produced) for medical and scientific use on which duty is payable at rebated rates (14*s* 9*d* [74p] a proof gallon) under Section 112 of the Customs and Excise Act, 1952. This quantity is included in the *Digest* figure for total spirits consumption but excluded from the consumption figure in the *Annual Abstract of Statistics.*

Beer

Production figures relate to the quantity of 'worts' produced during the period *less* a standard deduction of 6 per cent, 'worts' being the liquid produced from the mash before fermentation has begun. The average original gravity is now about 1,037 degrees.

Consumption figures show the net quantities of beer, including imported beer, on which duty was paid during the period. Repayments, e.g. on spoilt beer, and drawbacks, are offset against the month in which the revenue is repaid.

The figures in each case are given in bulk barrels of 36 gallons irrespective of the gravity at which they are brewed. Duty is payable on imported beer at the time of import; on home produced beer it is normally payable in the month following the month of production.

Imported wine

The consumption figures show the net quantities duty-paid in each month. The classification between heavy wines and light wines is based on the proof spirit content: light wine means wine not exceeding 27 degrees proof spirit in the case of wine entitled to Commonwealth preference rates of duty or 25 degrees in the case of other wine. Fortified wines such as sherries, port, etc. are normally heavy wines and table wines are light.

British wine

This is wine commercially produced by fermentation from sugar and fruit (including imported grape must) and in 1956 was widened to include cider and perry of artificially high strength.

The consumption figures are the net quantities duty-paid during the period.

Household food expenditure and consumption

The sample

In the course of a year the National Food Survey investigates the food budgets of about 8,000 households in 44 parliamentary constituencies, selected so as to be representative of Great Britain as a whole. In each household surveyed the housewife keeps a record for one week of all food purchased or entering the house without payment. A more detailed description of the sampling methods of the National Food Survey is given in the Annual Report for 1968.

'Free' supplies (garden, allotment produce, etc.) are included in the consumption figures with the result that average prices or values derived from the data published in the *Monthly Digest of Statistics* may be understated. (Estimates of average prices paid by housewives for over a hundred and forty food items, however, are to be found in the Annual Reports of the National Food Survey Committee.)

Household

A group of persons living in the same dwelling and sharing common catering arrangements. The size of household is defined in terms of the number of persons who have at least half of their meals at home during the

week of Survey; for this purpose meals taken at different times of the day are weighted according to their relative importance.

Old age pensioner households

Households in which (i) the *head of the household* is in receipt of a state retirement pension (contributory) or non-contributory old age pension (or pension of a widow over 60 years of age), and (ii) such state retirement pensions form the sole or the main source of the *household* income.

Children and adolescents

'Child' under 15 years. 'Adolescent' 15–17 years inclusive.

Consumption

Consists of the quantity of purchased food *plus* 'free' food as defined below.

Food purchased

Quantities of all foods purchased during the week; the Survey excludes food eaten outside the home (except packed meals prepared at home), chocolate and sugar confectionery, soft drinks, alcoholic drinks, vitamin tablets, fish liver oils, and food obtained specifically for consumption by domestic pets. For a few minor miscellaneous items, expenditure is recorded, but not the quantity (e.g. artificial sweeteners, flavourings and colourings, etc.).

'Free' food

Quantity of food entering the household without payment for consumption during the Survey week. Milk supplied under the Milk in Schools Scheme is included although it does not actually enter the household. Food grown or produced by the household and stored in bulk is recorded only when it is withdrawn from store.

Classification of foodstuffs

Milk, processed and cream

Include condensed milk, dried milk, yoghourt, goats' milk, skimmed milk (liquid and dried) and buttermilk. Condensed and dried milk are expressed in equivalent pints of liquid milk, other milk and cream in pints.

Other fats

Include lard, compound cooking fat, suet and dripping, vegetable and salad oils and synthetic cream.

All other meat

Includes bacon ribs, ham bones, bacon knuckles and other bones, cooked and canned meat, offals, poultry, rabbit, game, sausages, meat products and quick frozen meats.

Fish

Includes quick frozen fish, canned and bottled fish and fish products such as paste and fish cakes and fried fish eaten at home.

Fresh fruit

Includes tomatoes.

Other fruit

Includes canned, bottled and dried fruit, nuts and fruit and nut products, fruit juices, syrups and purees, and welfare orange juice.

Potatoes

Include 'new' and 'old' potatoes, but not canned potatoes, chips, crisps and other potato products.

Fresh green vegetables

Include fresh cabbages, brussels sprouts, cauliflower, leafy salads, peas, beans, spinach, sprouting broccoli and kale.

Other vegetables

Include root vegetables, onions, cucumbers, mushrooms, dried vegetables, canned vegetables, quick frozen vegetables and vegetable products.

Bread

Includes rolls, Vienna and French bread, barley bread, fruit bread, diabetic bread, rye bread and 'slimming' bread.

Cakes and biscuits

Include buns, scones, tea cakes, muffins and crumpets.

Other cereals

Include puddings, oatmeal and oat products, breakfast cereals, rice, semolina, macaroni, spaghetti, canned pasta, cake and pudding mixtures, barley and barley products, custard powder, cornflour, blancmange and dessert powders, sago, tapioca and arrowroot, infant cereal foods and invalid foods.

Preserves

Include jams, jellies and curds, marmalade, syrup, treacle, honey and honey spreads.

Other beverages

Bean and ground coffee, coffee extracts and essences, cocoa and drinking chocolate and branded food drinks.

Miscellaneous foods

Include baby foods (canned or bottled), spreads, dressings, canned, dehydrated and powdered soups, meat and vegetable extracts, pickles and sauces, table jellies, condiments, herbs, flavourings, gravy powders, spices, curry powders, ice cream bought to serve as part of a meal, and all quick frozen foods other than meats, fish and vegetables.

VI. PRODUCTION, OUTPUT AND COSTS

Index of industrial production

This index is prepared by the Central Statistical Office in collaboration with the Statistics Divisions of government departments. A series based on 1963 replaced that based on 1958 which was published regularly in the *Monthly Digest of Statistics* up to July 1969. The purpose and methods of compilation of this index are described in Studies in Official Statistics No. 17 (HMSO, November 1970). A list of the series and weights used and an account of the changes made also appears in this publication. A short description of the new index and some of the major changes from the previous index was published in *Economic Trends*, August 1969.

The index is intended to provide a general measure of monthly changes in the volume of industrial production in the United Kingdom. Mining and quarrying, manufacturing, construction, and gas, electricity and water are included; but agriculture, trade, transport and finance and all other public and private services are excluded. The index covers the production of both capital goods and consumption goods for the home market, for export and for the armed forces. It has been

calculated with 1963 as base year for each month from January 1963.

The index is a weighted arithmetic average. In combining the individual production series, the method used has been to give each industry a 'weight' proportional to its net output in 1963 as shown by the Census of Production for that year. The net output figures given in the published reports of the Census have been adjusted by deducting the estimated amounts paid for services rendered to the industries by firms outside the field covered by the index, such as advertising and insurance, since these represent production in the 'services' sector of the economy.

About 890 production series, individually weighted, are incorporated in the index. Although some are quarterly, the majority are for weeks or calendar months. Many of the series represent physical quantities produced. For some industries, e.g. most of the engineering groups, construction, clothing, china and glassware, it has been necessary to use series of the value of production adjusted for changes in prices. For some other industries for which output figures are not available, alternative series, such as the use of raw materials or numbers of persons employed, have been used. For construction, where production extends over a long period, figures of completions are not a reliable measure of current output, and the index makes allowances for the amount of work in progress.

The level of production is expressed as a percentage of the average monthly production in 1963. To ensure comparability between different months, adjustments have been made (where the basic figures refer to calendar months) for variations in the number of days in each month, excluding for each industry those which are not normally working days, for example, Sundays and Saturday afternoons. The index thus compares the average weekly rates of production in the different months. It reflects, however, any change in production resulting from public and other holidays and from seasonal factors, for which no adjustments have been made.

Adjustments for seasonal variations

Indices which have been adjusted for holidays and other causes of seasonal variations have also been prepared. These series are designed to eliminate normal month to month fluctuations and thus to show the trend more clearly.

Adjusting for seasonal variation is more hazardous than adjusting for the varying number of working days in a month. It is to some extent dependent on judgment and interpretation and is partly based on the assumption that the seasonal pattern of recent years will recur in the year ahead. Since the seasonal pattern may be changing, the month to month variations have to be kept under review and each year, as another twelve months' experience becomes available, the seasonal adjustment factors are reassessed.

The estimates of seasonal movement are obtained in two steps. The indices of production as published are already adjusted for differences in the number of days in each month and the first step is to estimate the movement in the indices arising from regular public holidays and from annual holidays taken in different industries. The indices are adjusted to remove the effect of holidays, and further adjusted so that the annual average is equal to the average of the unadjusted indices.

The second step, now done on an electronic computer, is to determine the remaining seasonal variations by averaging deviations in each month from a succession of moving averages. These average deviations are used to calculate a seasonal adjustment factor for each month; this may change from year to year if the seasonal pattern is altering. The method of seasonal adjustment which is currently being used for this index is the X–11 variant of the Census Method II Seasonal Adjustment Program which is described in *Technical Paper No. 15 of the US Department of Commerce, Bureau of the Census.*

These seasonally adjusted series of indices should not be regarded as in any way more reliable than the unadjusted, and are not intended to replace them. The original unadjusted series are the measures of changes in the weekly rate of production from month to month while the seasonally adjusted series, which exclude regularly recurring fluctuations, are designed for the sole purpose of making the trend more readily discernible.

Industrial classification

The industrial analysis of the index is in conformity with the *Standard Industrial Classification* (HMSO, 1968) to which reference should be made for details of the composition of each industrial group.

Output per head

For this series output for the economy as a whole is the output-based measure of the gross domestic product. This series is used to achieve consistency with the industrial analysis for which the measures of output are the constituent series of the index of production. Output per head is defined as the output per person employed i.e. the denominator includes employees, employers and self-employed persons, including both full-time and part-time workers.

Indices of labour costs

In the index of total home costs per unit of output the numerator is the income-based gross domestic product at current prices. The denominator is this series expressed at constant prices by means of the deflator derived from the expenditure-based gross domestic product at current and constant prices. For the industrial groupings the measures of output are the constituent series of the index of industrial production.

Labour costs include not only wages and salaries but also employers' national insurance contributions, selective employment tax *less* premiums and refunds, contributions to the Redundancy Fund and to superannuation schemes, pension funds, etc.

Both the series for output per head and labour costs were first published in *Economic Trends* (October 1968) and the *Employment and Productivity Gazette* (October 1968). The article accompanying the series describes in greater detail the construction and significance of the figures.

VII. FUEL AND POWER

Coal: Production and inland consumption

Deep mined coal

Production figures relate to saleable output, i.e. the sum of the coal sold commercially, consumed by the colliery and supplied to ancillary works, and disposed of free and at concessionary prices, *plus* the increase or *less* the decrease in colliery stocks of saleable coal. Slurry and coal recovered from colliery tips by the National Coal

Board is included in production when sold or consumed at the colliery.

Opencast coal

Coal which is not mined but is obtained from deposits near the surface mainly by contractors. Screening and washing losses are excluded.

Collieries

Coal used for boilers, colliery power stations and other purposes.

Power stations

Coal used for all purposes at power stations of the public electricity supply and of railway and other public transport undertakings.

Gas works

Coal used for all purposes at gas works making gas for public supply.

Coke ovens

Coal carbonised, consumed for other purposes or lost in cleaning at coke ovens.

Other conversion industries

Consumption of coal at low temperature carbonisation plants and briquette works.

Industry

Coal used for all purposes at other industrial establishments. The figures include estimates based upon colliery disposals for establishments using less than 1,000 tons a year.

Transport

Coal used for all purposes by railways, dock and harbour undertakings, inland waterways and for coastwise bunkers.

Domestic

House coal: sales by merchants mainly to domestic consumers and coal supplied by collieries free of charge or at reduced prices to miners and their dependants, officials, clerks and other salaried persons employed at mines, miners' welfare bodies and other authorised persons and institutions. A small proportion of merchants' sales of house coal are to shops, offices, hotels, etc. and to small industrial consumers.

Anthracite and dry steam coal: Sales by merchants mainly to domestic consumers.

Miscellaneous

Disposals from collieries to national and local authorities, commercial and non-industrial establishments, shipments to the Channel Islands and distribution losses.

Exports

Actual shipments notified by the National Coal Board.

Coal: Stocks

Distributed stocks are those held by the fuel conversion industries, by large industrial consumers (those using 1,000 tons or more of coal a year), by railways and the armed services and by merchants, mainly for sale to the domestic market. Merchants' stocks of anthracite and boiler fuel include suitable manufactured solid fuels.

Coal and oil consumption: Industrial groups

Coal consumption covers establishments using 1,000 tons or more of coal a year. Oil consists of gas/diesel and fuel oils and creosote/pitch mixtures burned and does not include oil used in internal combustion engines or for chemical feedstock. Establishments which use less than 500 tons a year of oil for burning are excluded unless they also consume at least 1,000 tons a year of coal or coke.

Consumption of coal or oil by the coal mining and petroleum refining industries and by the fuel conversion industries is excluded.

Mined coal: Productivity

Figures for manpower, attendance and output per manshift relate only to mines operated by the National Coal Board.

Wage earners on colliery books

Workers in industrial grades employed at collieries and in activities connected with the getting, raising, handling, preparation and transport of coal, or other minerals got with coal, up to the point of despatch to consumers outside the colliery. These activities include coal preparation plants, internal railways and tramways, pithead baths, gas works and power stations forming part of the colliery, and landsale depots forming part of the colliery for accounting purposes, but exclude central workshops and central power stations. Industrial grade workers include colliery underofficials up to the rank of overman but exclude undermanagers, other administrative staff and clerical workers.

Workers absent with good reason and known to be intending to return are retained on colliery books up to fifteen months. Workers absent without good reason are normally removed from the books at the end of the third consecutive week of absence.

Manshifts

A manshift is the normal period of attendance at the mine by one wage earner in one day (other than Saturday). The number of manshifts worked includes overtime shifts and is measured in terms of the time of attendance, even if payment is made for a greater number of shifts. Part-shifts are counted as a proportion of the length of the worker's normal shift. From April 1966, attendances at training and other non-operational activities have been excluded.

Absence

Voluntary and involuntary non-appearances expressed as percentages of possible appearances. Possible appearances are those that wage-earners on colliery books could have made during their normal working week but excluding attendances at training classes and other non-operational activities and shifts lost through recognised holidays, disputes and other causes of stoppages of work. Involuntary non-appearances are limited to absence due to sickness, industrial disease and injury and for other authorized reasons.

Output per manshift

The output of saleable coal from revenue working divided by the total number of manshifts worked on revenue account.

Coke

Production

Production at gasworks excludes coke used for heating retorts.

Inland consumption

Consumption of coke (excluding breeze) mainly at blast furnaces and other industrial establishments, by national and local authorities and sales (mainly by merchants) to the domestic market.

Overseas shipments

Disposals for export from coke ovens and gas works.

Stocks

The amounts held at producers' works and blast furnaces.

Gas: Public supply

Total gas available is the amount of gas produced at the works of the twelve Gas Boards in Great Britain and at gas works in Northern Ireland, together with gas purchased by them and reformed or supplied direct to final users. Purchases comprise natural gas, distinguishing separately North Sea, other indigenous and imported natural gas, refinery gas and coke oven gas. Gas produced by coke ovens for the iron and steel industry or sold direct to other industries is not included.

Electricity: Generation by the public supply system

The figures relate to all stations of the Central Electricity Generating Board, the North of Scotland Hydro-Electric Board, the South of Scotland Electricity Board and stations in Northern Ireland.

Fuel used

The figures of oil fuel relate to the oil used for oil engines, gas turbines, oil fired steam stations and lighting up pulverised fuel boilers.

Electricity generated and electricity sent out

The difference between these represents the electricity used at the works for lighting and auxiliary power and for pumping at pumped storage stations.

Total electricity available

The total quantity of electricity distributed through the public supply system and comprises electricity sent out, purchases from industrial producers (mainly nuclear power stations of the United Kingdom Atomic Energy Authority) and net imports from France.

Maximum load

The simultaneous maximum load in Great Britain together with the maximum load met during the period, although not necessarily at the same time, in Northern Ireland. Simultaneous maximum load is defined as the maximum load on the grid at any one time *plus* the load on stations not connected to the grid. It is measured by the sum of the maximum load met by the Central Electricity Generating Board and the loads met at the same time by the two Electricity Boards in Scotland. Annual figures are the maximum occurring near the end of the year or early in the following year.

Output capacity

The maximum continuous rating of the generators after allowing for station consumption and any limitations in the capacity of prime movers. The change in output capacity differs from the amount of new plant brought into commission, not only because of scrapping of old plant but also because of re-rating of plant continuing in use.

Electricity: Generation outside the public supply system

The amount of electricity generated by industry, primarily for its own use, although partly for sale to the public supply system in Great Britain. Industries covered include transport and iron and steel as well as establishments in industry generally which have a generating capacity of 250 or more kilowatts and burn 1,000 tons or more of coal or coke or 500 tons or more of liquid fuels a year. Generation by the coal mining, gas and mineral oil refinery industries is excluded from the statistics, but annual figures for these industres are given in a footnote to the table. Nuclear power stations are the United Kingdom Atomic Energy Authority prototype reactors and the figures relate to the part of their electricity production supplied to the public supply system.

Petroleum

Refinery production

Crude and process oils comprise all feedstocks, other than distillation benzines, for treatment at refinery plants. The figures do not cover the further treatment of finished products for special grades such as in distillation plants for the production of industrial spirits.

Inland deliveries into consumption

Deliveries of all petroleum products in the United Kingdom and the Channel Islands including benzole and other petroleum substitutes marketed by the petroleum industry. Coal tar fuels and natural gas are excluded, as is oil which is used as fuel in refineries. Otherwise, the figures are inclusive of the petroleum industry's own use.

Gas/diesel and fuel oils used in coastal and fishing craft are included in inland deliveries, but deliveries under bunker contracts for ships engaged in foreign trade are excluded.

Deliveries of motor spirit to dealers comprise deliveries to garages and other retailers. Commercial consumers are those receiving direct deliveries for use in their own businesses.

Products used as fuel

Refinery fuel—all petroleum products used as fuel at refineries.

Propane—hydrocarbon containing three carbon atoms, gaseous at normal temperature but generally stored and transported under pressure as a liquid. Used for domestic heating and cooking and for industrial purposes.

Butane—hydrocarbon containing four carbon atoms, otherwise as for propane. Additional uses—as a constituent of motor spirit to improve volatility and as a chemical feedstock.

Other gases for gas works—ethane and refinery gases resulting from the processing of crude petroleum.

Naphtha (Light distillate feedstock) for gas works—petroleum distillate boiling predominantly below 200°C.

Aviation spirit—specially blended light hydrocarbons intended for use in aviation piston-engined power units.

Wide-cut gasoline—light hydrocarbons intended for use in aviation gas-turbine power units.

Motor spirit—blended light petroleum distillates used as a fuel for spark-ignition internal combustion engines other than aircraft engines.

5 star grade—all finished motor spirit with an octane number (research method) not less than 100.

4 star grade—all finished motor spirit with an octane number (research method) not less than 97.

3 star grade—all finished motor spirit with an octane number (research method) not less than 94.

2 star grade—all finished motor spirit not intended for marketing as 5, 4, or 3 star grades.

Aviation turbine fuel—specially refined kerosine intended for use in aviation gas turbine power units.

Burning oil (*kerosine*)—refined petroleum distillate intermediate in volatility between motor spirit and gas oil, used for lighting and heating. Excluding distillates which are included under white spirit and kerosine used for lubricant blends.

Vaporizing oil—blended kerosine-type petroleum distillate used in certain types of spark-ignition engines such as those used for agricultural purposes, stationary engines and boats.

Gas/diesel oil:

(*a*) *Derv* (Diesel Engined Road Vehicle) fuel—gas/diesel oil suitable for use in high-speed, compression-ignition engines.

(*b*) *Gas oil*—petroleum distillate having a distillation range intermediate between kerosine and light lubricating oil. Used as a burner fuel in heating installations, for carburetting water gas, as a wash oil in the extraction of benzole from coal gas and for industrial gas-turbines.

(*c*) *Marine diesel oil*—heavier type of gas oil suitable for heavy industrial and marine compression-ignition engines.

Fuel oil—heavy petroleum distillates or petroleum residues or blends of these used in furnaces for the production of heat or power. Excluding fuel oil for grease making or lubricating oil and fuel oil sold as such for road making.

Products not used as fuel

Feedstock for petroleum chemical plants—all petroleum products intended for use in the manufacture of petroleum chemicals. (A deduction has been made from these figures equal to the quantity of feedstock used in making the conventional petroleum products which are produced during the processing of the feedstock. The output and deliveries of these conventional petroleum products are included elsewhere as appropriate.)

White spirit—a highly refined distillate with a boiling range of about 150° to 200°C used as a paint solvent and for dry cleaning purposes, etc.

Industrial spirits—refined petroleum fractions with boiling ranges up to 200°C dependent on the use to which they are put—e.g. seed extraction, rubber solvents, perfume, etc.

Lubricating oils (*and greases*)—refined heavy distillates obtained from the distillation of petroleum residues. Includes liquid and solid hydrocarbons sold by the lubricating oil trade, either alone or blended with fixed oils, metallic soaps and other organic and/or inorganic bodies.

Bitumen—the residue left after the production of lubricating oil distillates. Used mainly for road making and building construction purposes. Includes other petroleum products, creosote and tar mixed with bitumen for these purposes and fuel oil sold as such for road making.

Paraffin wax—includes paraffin wax, which is a white crystalline hydrocarbon material of low oil content normally obtained during the refining of lubricating oil distillate, paraffin scale, slack wax, microcrystalline wax and wax emulsions. Used for candle manufacture, polishes, food containers, wrappings, etc.

VIII. CHEMICALS

Fertilizers

Natural organic fertilizers are excluded from the statistics. Figures are of manufactured fertilizers. The nutrient content figures are free of double counting of materials at different stages of manufacture.

Manufactured fertilizers may be straight (i.e. containing only one of the three primary nutrients—P_2O_5, phosphate; N, nitrogen; and K_2O, potash) or compound (i.e. containing either two or three of these primary nutrients). The figures of production and home deliveries of compound fertilizers (including concentrated complete fertilizers) are expressed in terms of total weight. Home deliveries of compound fertilizers (to merchants and farmers) include imported fertilizers.

Figures of the production and deliveries of the three primary fertilizers are expressed in terms of nutrient content—phosphate, nitrogen and potash—and are as follows:

Phosphatic fertilizers (P_2O_5)

The production figures cover superphosphate, triple-superphosphate, ground basic slag (slag ground in the United Kingdom from home produced and imported raw slag), ground phosphate (imported phosphate rock ground in the United Kingdom), treated phosphate and concentrated complete fertilizers.

The home deliveries figures cover the fertilizers mentioned above, delivered either straight or in compound form to merchants and farmers for final use. Imported fertilizers are, however, included.

Nitrogenous fertilizers (N)

Production figures cover lime ammonium nitrate, concentrated complete fertilizers, nitrogen potash, ammonia liquor, urea and ammonium nitrate produced for use as fertilizers at home and abroad; the production of ammonium sulphate is also covered, although in this case exports may include some element of industrial usage.

The home deliveries figures cover the fertilizers mentioned above, *plus* imported fertilizers (i.e. Chile nitrates of soda and potash, ammonium phosphate, cyanamide, ammonium sulphate nitrate, ammonium sulphate, lime ammonium nitrate and other compound fertilizers), whether for final use or for use in the manufacture of compounds.

Potash fertilizers (K_2O)

The home deliveries figures cover imported material

delivered to first buyers whether for final use or for use in the manufacture of compounds.

Liming materials

The figures show tonnages included in applications for Exchequer contribution under the Agricultural Lime Schemes. They relate to all forms of calcium oxide, calcium hydroxide and calcium carbonate, that is, lump, kibbled and ground burnt lime, hydrated lime, ground limestone, lump, screened and ground chalk, calcareous sea sand, factory waste, etc., which are commonly used for the liming of agricultural land.

Sulphur and sulphuric acid

Sulphur, pyrites, etc.

The figures relate to acid sulphur, pyrites, spent oxide, anhydrite and zinc concentrates for use in the manufacture of sulphuric acid. Figures for acid sulphur include recovered sulphur and the sulphur content of filter cake, H_2S and ferrous sulphate.

Stocks of acid sulphur and pyrites include quantities held by consumers and in transit in the United Kingdom. Government stocks are excluded. Stocks of spent oxide are the quantities at acid works.

Sulphuric acid (as 100 per cent acid)

Consumption figures include recovered sulphuric acid.

Synthetic dyestuffs, colours, paint and varnish

Synthetic dyestuffs

The figures exclude dyestuffs intermediates, synthetic organic pigments (pigment dyestuffs, toners, colour lakes), vegetable dyes and tanning extracts. They include the following synthetic dyestuff groups: acid; azoic; basic; direct; disperse; mordant; sulphur; solvent; and vat (insoluble and soluble).

Quantities of vat (insoluble) and disperse dyestuffs are in terms of 100 per cent pure dye content; quantities of all other types of dyestuffs are in terms of domestic standard powder strength (paste adjusted to the tinctorial equivalent of the powder strength).

Colours

The figures show sales by colour makers, other than paint manufacturers, of pigment dyestuffs (including toners), inorganic pigments and other colours (including ochres and earth colours, colour lakes and synthetic oxides of iron).

For pulp colours, the weight included is the amount of dry pigment contained in the pulp; for pigment dyestuffs, weight is given in terms of 100 per cent pure dye content.

Paint and varnish

The figures relate to sales by manufacturers employing 25 or more persons at the beginning of that year. Figures for cellulose-based paints, varnishes and lacquers include clear solutions and pigmented cellulose paints, while the figures for varnishes, lacquers and stains (other than cellulose), relate to spirit-based varnishes, lacquers and stains only. 'Other' includes oil and synthetic based non-aqueous paints; marine paints (anti-fouling and anti-corrosive paints and compositions for use below water-line only); bituminous paints.

Synthetic resins and plastics materials

These statistics relate to thermosetting and thermoplastic materials; in general terms, the former have the property of hardening on the application of sufficient heat and of not softening on the further application of heat; the latter have the property of softening on the application of heat and of hardening when cooled.

Figures are given—for thermosetting and for thermoplastic—separately for synthetic resins and for plastics materials derived from these primary resins.

Thermosetting resins

This series comprises alkyds, aminoplastics, phenolics and cresylics, unsaturated polyesters, epoxide resins and other thermosetting resins including polyurethanes and casein plastics.

Thermoplastic resins

This series comprises cellulose plastics, styrene polymers and co-polymers, polyolefines, polyvinyl acetate, coumarone-indenes, rosin ester gums and other thermoplastic resins including acrylics; polyvinyl chloride polymers; polyamides and polytetrafluorethylene.

Resins made for conversion into synthetic fibres are excluded, though monofilaments not meant for textiles are included.

The figures of production are free of double counting; the figures of stocks exclude materials purchased for further processing and relate only to goods held for use or further processing in the establishments in which produced.

Other miscellaneous products

Industrial ethyl alcohol

Figures show the quantities of ethyl alcohol produced for industrial purposes; industrial ethyl alcohol is distilled from molasses or derived from other processes. A small quantity of molasses spirit is used in beverage spirit production. This amounted to about 0·19 million proof gallons a month in the year ended 31 March 1970, and has already been deducted from the figures shown.

Soap

Figures relate to production of manufacturers employing 25 or more persons and represent production for all purposes, including export of all types of soap except dentifrices. Lathering shaving soap and cream and soap shampoos are included.

Synthetic detergents

The figures relate to sales of detergents by the larger United Kingdom manufacturers for use primarily for washing purposes. Surface-active material for use as disinfectants, wetters, spreaders and emulsifiers is excluded. Detergent precursors, e.g. dodecyl benzene, and abrasive and scouring preparations containing synthetic detergents are also excluded. The figures are free of double counting of materials at different stages of manufacture.

Iron and steel

Iron ore

The ferrous content of home ore is about 28 per cent compared with an average of about 61 per cent for imported ore.

Pig iron

Hematite, basic, foundry and forge pig iron, direct iron castings and blast furnace ferro-alloys.

Consumption in steel works and steel foundries, wrought and refined iron works and iron foundries. Excludes consumption in iron foundries of refined and cylinder iron, made otherwise than in blast furnaces.

Iron castings

Weight of iron castings in the black state (up to and including fettling).

Scrap

Consumption of scrap is the quantity of steel and cast iron scrap (including scrap arising in own works) consumed in steel melting furnaces and converters.

Crude steel production

Steel ingots (including steel for continuously cast blooms, billets and slabs) and steel for castings.

Crude steel stocks

Ingots and the ingot equivalent of semi-finished and finished steel held at producers' works, excluding stocks held by consumers and merchants.

Net deliveries of finished steel

Includes imported steel, but excludes all material for intra-industry conversion; exports are included.

Consumers' and merchants' stocks of finished steel

Finished steel from all sources, i.e. produced in the United Kingdom or imported.

Production of finished steel

Certain items of finished steel may be used for further conversion into other forms of finished steel (for example, tube strip into tube); the production of the separate items should not therefore be aggregated.

Rails, sleepers, fishplates and soleplates

Heavy rails are 40 lb per yard and over for the home trade, 36 lb and over for export trade; other rails are included in light rolled products.

Sleepers, fishplates and soleplates are classified with the rails with which they are used.

Hot rolled strip and cold rolled strip

The product of mills capable of rolling material up to a maximum of 24 inches in width.

Non-ferrous metals

Stocks of non-ferrous metals relate to consumers' stocks, including stocks held by consumers in London Metal Exchange warehouses and other privately held stocks, but exclude all government held stocks. Stocks in transit in the United Kingdom are included throughout.

Virgin aluminium

Including virgin alloys.

Consumption represents despatches to home consumers.

Secondary aluminium

Statistics exclude virgin content used in production of secondary alloys.

Consumption represents despatches to home consumers and exports.

Copper

Production of virgin refined copper includes only primary copper refined from imported blister. Secondary refined copper includes copper refined from scrap and small quantities of copper smelted and refined from ores but excludes remelted copper. Consumption of refined copper (virgin and secondary) is as reported by consumers.

Consumption of copper in scrap is obtained by the difference between copper content of output and consumption of refined copper. Monthly figures of scrap consumption are particularly affected by variations in the amount of work in progress and should be used with caution.

Production of wrought semi-manufactures includes wire, rods, bars, sections, sheet, strip, plate and tubes of copper and copper alloys (gross weight of alloys in the *Monthly Digest*; copper content in the *Annual Abstract*).

Production of castings includes both copper and copper alloys (gross weight of alloys).

Stocks of refined copper include copper in wire bars.

Zinc

Slab or virgin zinc in unwrought zinc, excluding re-melted zinc.

Other zinc (metal content) includes not only scrap (zinc content of brass and other alloy scrap, re-melted and scrap zinc metal and zinc content of residues), but also partially refined metal not classified as slab zinc and concentrates used directly in manufacturing processes such as galvanizing (but not used in zinc production). These concentrates are also included in the figures of consumption of concentrates for smelting and direct use.

Lead

For English refined lead the series relate to soft lead refined from secondary and scrap material, and from domestic ores, including that refined by consumers for their own use.

Home consumption of imported virgin lead includes pig lead refined from imported bullion and lead imported for processing on toll. Stocks of imported virgin lead include base bullion awaiting refining.

The consumption of scrap lead includes re-melted lead and secondary antimonial (hard) lead recovered from scrap, whether for sale or own use, when used by the ultimate consumer.

Engineering products

The statistics are based on returns made by manufacturers and refer to production or deliveries (despatches from makers' works) as indicated in the tables. Figures of quantity relate to complete units only and include products assembled from imported components. Figures of value are at ex-works prices and include replacement parts and accessories except where otherwise stated. Deliveries or production against orders placed by government departments are included. Deliveries for export include only goods exported by the manufacturer or his agent or known to be destined for export by

merchants. They do not include goods delivered to other manufacturers for incorporation into their products destined for export. These statistics differ from those appearing in the *Overseas Trade Statistics* which are based on exporters' declarations to HM Customs and Excise [the difference is due, *inter alia*, to the time lag between production (or delivery from manufacturers' works) and shipment].

Mechanical, instrument and electrical engineering

These figures relate to total and export deliveries, orders on hand and net new orders by engineering establishments classified to Orders VII, VIII and IX of the Standard Industrial Classification (1968) excluding the ordnance and small arms industry. Home figures are the difference between total and export; net new orders are derived from current deliveries and the change in orders on hand.

Although these figures relate to products they are deliveries of those products by firms classified to the mechanical, instrument and electrical engineering industries. As such they may differ from figures appearing in later tables and in Business Monitors which will include deliveries of the products by firms in other industries.

The figures exclude deliveries by the smallest firms which are estimated to be about 6 per cent of the total. Spare parts, other than those specified, supplied by the manufacturers and parts for assembly by other manufacturers are included with the machines to which they relate.

Electrical machinery

Electrical generating plant

A small number of steam turbines of less than 10,000 kW which are shown in this table may be used for purposes other than electricity generation.

Rotating electrical machines

Electric motors, generators and rotary converters other than turbo-generator sets. The figures include only deliveries as such and exclude machines incorporated in other production in the same works. Replacement parts are excluded.

Electric gramophone record players and turntables

The figures show sales for the home and export markets by quantity and value. The figures for turntable units include sales to other United Kingdom manufacturers which may be incorporated later in complete electric gramophones.

Domestic electrical appliances

Detailed information for domestic electrical appliances is not collected by government departments. The statistics shown have been contributed by the Association of Manufacturers' of Domestic Electrical Appliances.

Electric lamps (complete)

The figures cover filament lamps and discharge lamps but exclude discharge tubes not for lighting (for example, neon, etc., signs for advertisement and similar purposes), arc lamps and flashbulbs for photographic purposes, and discharge lamps of 5 watts or under.

By 'general lighting service lamps' is meant tungsten and carbon filament lamps of over 28 volts.

Radios, radiograms and television sets

Both production and sales figures relate to manufacturers' output.

The values of home sales are calculated at ex-works prices, the export sales at f.o.b. prices.

Radio sets include car radio receivers.

Television sets include re-diffusion units.

Chassis (75 per cent complete by value) and sets produced and sold for rental are included in the production and sales figures.

Motor cycles and pedal cycles

Motor cycles

Motor attachments for fitting to pedal cycles, and three-wheeled tractors, invalid carriages and electrically powered vehicles, are excluded.

Pedal cycles

Bicycles and tricycles not mechanically propelled. Up to December 1968, the figures relate to bicycles with frames of 15 inches or more and tricycles with wheels of 14 inches or more. From January 1969 the figures relate to bicycles of the conventional or small-wheel, open frame type, with frames of 14 inches or more and tricycles with wheels of 20 inches or more. Other bicycles and tricycles are classed as toys and are excluded.

Motor vehicles

The production figures for individual months are totals for periods of four or five weeks. The value figures, however, relate to deliveries in calendar months. The value figures for complete vehicles exclude the value of motor bodies mounted by other manufacturers. The figures for spares, parts and accessories included in the total value of deliveries relate to those distributed by motor manufacturers and do not include the output of firms engaged solely in the manufacture of spares, etc., other than those distributed by the motor manufacturers.

Passenger cars

Taxis, estate cars and station wagons are included but three-wheeled vehicles are excluded. Chassis delivered as such by motor manufacturers are included.

Commercial motor vehicles other than omnibuses, coaches and trolleybuses

The following types of four-wheeled vehicles are included: lorries and vans, ambulances, wheeled tractors for road haulage and special-type vehicles other than armoured fighting vehicles for the Services. Chassis delivered as such by motor manufacturers are included. Battery-driven electric road vehicles are excluded.

The classification is according to carrying capacity up to December 1962; thereafter by gross vehicle weight.

Omnibuses, coaches and trolleybuses

The figures include complete single deck omnibuses and coaches designed with eight to fifteen seats, excluding the driver's. Chassis fitted with bodies of this type by other manufacturers are excluded. The figures for other omnibuses, coaches and trolleybuses refer to the production of chassis with or without bodies mounted.

Index numbers of orders and deliveries in the textile and clothing industries

Figures are obtained for the made-up clothing industry and for all but the smallest industries in textiles in respect of deliveries and either orders on hand or net new orders. For a number of industries the estimates included are based on sample inquiries. Deliveries, net new orders and orders on hand for each industry are converted, where necessary, to constant prices and formed into indices. For the textile industries the indices for deliveries and net new orders are combined by weights estimated from the results of the Census of Production, 1963; the orders on hand index for textiles is derived from these two indices.

Made-up clothing

In general the index numbers for individual sectors are based on returns made voluntarily by firms employing 25 or more persons and relate to total deliveries at constant prices by manufacturers whose main business is in that sector of the industry. In constructing the index for made-up clothing as a whole the indices for individual sectors are combined using weights based on the values of net output in the Census of Production, 1963.

Textiles

Raw wool

The production figures show the weight of British fleece wool taken up by the British Wool Marketing Board and the weight of wool produced by fell-mongering from British sheepskins.

Home consumption is the estimated clean weight consumed in combing, woollen spinning and felt making.

Stocks figures show the estimated clean weight of all raw wool in the United Kingdom, excluding farmers' stocks not yet taken on charge by the British Wool Marketing Board. These estimates are subject to revision each year following the results of the annual census of wool stocks taken at the end of August.

Woollen yarn

Production figures are estimated from the weight of fibre consumed by spinners of woollen yarn. All types of yarn are covered, including hand-knitting and carpet and rug yarns.

Woven wool fabrics

Prior to 1967, the figures relate to deliveries of fabrics containing more than 15 per cent by weight of wool or animal fibre; from January 1967 the figures represent the total deliveries of all fabrics woven in the wool textile industry. Woven woollen fabrics are fabrics which are mainly woollen by weight of components; similarly, woven worsted fabrics are fabrics which are mainly worsted by weight of components.

Wool blankets (including mixtures and man-made fibres)

From November 1962 to October 1967 the yardage of blankets delivered was calculated from the factors: 1 full size blanket = 5·20 square yards, 1 cot blanket = 1·10 square yards. In November 1967 the factors were revised to 1 full size blanket = 5·40 square yards, 1 cot blanket = 1·40 square yards.

Raw cotton

Home consumption figures show the quantities used for cotton spinning, together with an estimate of consumption by other users.

Stocks figures represent the estimated weight of raw cotton held in Liverpool and Manchester certified warehouses and in Manchester docks, and by spinners in mills and up-country warehouses; up to January 1959, when disposal was completed, the figures also include stocks held in the United Kingdom by the Raw Cotton Commission. Stocks in transit are excluded throughout.

Single yarn spun in the cotton industry

Production is the total conditioned weight of single yarn spun whether for sale or for further manufacture by the same firm. Yarn spun on commission is included.

Cotton yarn excludes waste yarns and mixture yarns.

Cotton waste yarns are yarns spun from cotton waste and from raw cotton on the condenser and other waste spinning systems.

Spun man-made fibre and mixture yarns are spun yarns of rayon, nylon and other man-made fibres, mixture yarns of cotton and man-made fibres and of cotton and wool, and waste yarns other than those wholly of cotton waste and raw cotton.

Woven cloth of cotton and man-made fibres

The figures cover the production of woven cloth of more than 18 inches in width; they include cloth made for sale, cloth which is made up into household textiles, etc., by the same firm, and cloth woven on commission. Cloth for industrial uses, such as tyre fabric is included as well as cloth for clothing and for household textiles. The figures represent the linear yardage of cloth in the loom state before undergoing finishing processes; but cloth intended for splitting is included in length as split (for example, one yard of cloth intended to be split into two pieces is shown as two linear yards).

Man-made fibre and mixture cloth is cloth made wholly from continuous filament and spun rayon, nylon and other man-made fibres and mixture cloth containing not less than 85 per cent by weight of man-made continuous filament yarn and 'yarns spun in the cotton industry', as defined above, or similar yarns spun abroad.

Man-made fibres

Figures relate to output of man-made fibres in commercial production in the United Kingdom. As from July 1967 the production figures for continuous filament yarn are on an 'actual weight' basis; prior to that date the production figures were on a 'delivered weight' basis which is approximately 3 per cent less than the corresponding 'actual weight'.

Hard hemps

Consumption and stocks relate to the amount of sisal line and manila hemp used and held by spinners and paper-makers.

Jute cloth

Production is estimated from consumption of yarn by jute cloth weavers.

Imported jute goods

The figures relate to total imports of woven fabrics of jute and new sacks and bags of jute as published in the *Overseas Trade Statistics*.

Hosiery

The figures relate to sales by establishments employing more than twenty-five persons. These figures include garments made-up from knitted fabrics of all types by establishments engaged in knitting, except those engaged solely in warp knitting and, from 1966, those engaged mainly in warp knitting. The figures exclude garments made-up from knitted fabrics by establishments not engaged in knitting.

Garments are classified as follows:

For men and youths aged 14 and over as 'men's'; for women and maids aged 14 and over as 'women's'; for boys and girls aged 4 to 13 as 'children's'; for infants aged under 4 as 'infants".

Finished leather

Heavy leather (sold by weight)

Sole leather consists of bends, shoulders, butts, bellies and other offal, and 'Other' leathers include mechanical and textile hide leathers.

Light leather (sold by area)

Figures relate to upper and lining leather and 'Other' leather including gloving leather, chamois, upholstery, case, clothing and bookbinding leathers.

Imports and exports of finished leather

The figures for imports and exports of light finished leather are compiled from Customs returns, and are on a basis comparable to the production figures for light finished leather.

Footwear

The figures relate to manufacturers' sales of footwear of all types, including rubber and plastic footwear; service footwear and footwear supplied under the national health service is included.

Timber

Softwood and hardwood

Pitwood is excluded. Hardwood figures include logs for veneer production.

Deliveries of home-grown softwood and hardwood are the sales of sawmilling establishments in Great Britain employing twenty-five or more operatives.

Deliveries of imported softwood and hardwood are based on imports as recorded in the *Overseas Trade Statistics* and stock changes notified by importers.

Pitwood

All mining timber specially prepared for use underground in coal mines for propping or shoring or as pit sleepers. It is shown in Gothenburg standards (equivalent to 180 piled cubic feet) calculated for round pitwood in accordance with the Gothenburg scale. The average solid wood content of a Gothenburg standard may be taken as roughly 125 cubic feet for wood remaining in the round and as roughly 110 cubic feet for sawn wood.

Round pitwood comprises pitprops, round bars and long pitwood.

The figures for production represent National Coal Board receipts of home-grown timber.

Plywood

Includes all plywood, blockboard, laminboard and battenboard.

Production relates to plywood produced by establishments in Great Britain employing twenty-five or more operatives.

Deliveries are calculated from imports, as recorded in the *Overseas Trade Statistics*, and stock changes notified by importers.

Wood chipboard

The figures for wood chipboard (particle board) include all those firms known to be making this product, using in its manufacture wood residues, forest thinnings and synthetic resins.

Domestic furniture

Estimated sales of mainly wooden and upholstered domestic furniture by establishments in Great Britain employing twenty-five or more operatives in the manufacture of domestic furniture.

Paper and board, and paper-making materials

In these definitions 'paper' means paper or board; 'mills' means paper mills or board mills.

Paper-making materials other than woodpulp

Consumption figures relate to consumption by mills.

Stocks figures show the quantities held at mills.

Paper equivalent

The paper equivalent figures show the approximate amount of paper which it is estimated can be produced from the paper-making materials other than woodpulp shown as consumed or in stock. They are: straw 43 per cent, rags, etc. 66⅔ per cent, waste paper 85 per cent, esparto 42 per cent, pulpwood other than round 37½ per cent. The paper equivalent of one metric ton of round pulpwood is estimated at 0·63 metric tons.

Pulpwood

Other pulpwood includes home-grown pulpwood, wood waste, chippings and rejected pitprops.

Woodpulp for paper-making

This comprises imported woodpulp of the following types: chemical sulphite (bleached, semi-bleached and bleachable, and strong); chemical sulphate and soda (bleached, semi-bleached and bleachable, and kraft); semi-chemical; mechanical (bleached, unbleached and other) and knotter and screenings in terms of air dry weight used or held by paper-makers and manufacturers of cellulose wadding. Pulp derived from imported and home produced pulpwood, rejected pitprops and wood waste is excluded.

Industrial woodpulp

The woodpulp held or used by manufacturers of rayon and transparent cellulose film.

Newsprint

Consumption is an estimate and is based on a sample enquiry.

Stock figures show the quantity of newsprint held at mills and by publishers of newspapers and periodicals, and are estimates based on a sample enquiry.

Other paper and board (including building board)

Home deliveries are derived by adding imports of other paper and board to home production invoiced out by mills, and deducting exports.

The figures for stocks relate to quantities held by paper-makers only.

Rubber

Natural rubber includes balata and gutta percha. (Figures for latices are given as dry rubber content.) The oil content of Masterbatch is included, but the carbon content is excluded.

Figures of rubber consumption are collected from all manufacturers of rubber goods and from larger manufacturers of other rubber-using industries, e.g. cables. Monthly figures are collected from larger firms only and are therefore provisional and will be revised periodically in the light of quarterly and half-yearly information obtained subsequently.

Stocks of rubber exclude those held by manufacturers outside the rubber industry. Stocks of natural rubber are those held by importers and larger consumers. Stocks of synthetic rubber and reclaimed rubber are those held by United Kingdom producers and larger consumers. In this paragraph, 'larger consumers' means firms mainly engaged in manufacturing rubber goods, which employ 25 or more persons.

Carbon black

Production includes lamp and vegetable black but excludes acetylene and bone black.

Brushes

The figures comprise sales by firms employing 6 or more operatives. From 1966 'Other brushes' include painting rollers, artists' brushes, cosmetic and bottle brushes, brushes for machines and other industrial brushes.

Floorcoverings

The figures relate to sales by all firms known to be making these products.

Carpets and rugs

The term 'carpets' includes carpeting and carpet floor rugs.

Carpets faced with yarn containing 50 per cent or more of wool are described as 'faced with wool'; carpets faced with yarn containing more than 50 per cent of man-made fibres are described as 'faced with man-made fibres'.

The figures for 'All types' include items not shown separately, namely: carpets faced with hair and jute, rugs other than carpet floor rugs, coir pile mats, sisal mats and matting, woven plastic matting, underfelts, woven cotton carpets and other types not specified.

Export figures do not relate to Customs returns but to goods exported directly by manufacturers or known to them to be destined for export through merchants or shipping houses.

Floorcoverings of linoleum, vinyl and other synthetic materials

Linoleum in sheet and tile form relates to linoleum on a base of paper or paper board and printed and inlaid linoleum on a textile base, and from the beginning of 1966 includes plain linoleum. Figures up to end of 1962 relate to all types of linoleum. Up to the end of 1965 rigid and semi-rigid tiles relate to thermoplastic tiles based on coumarone-indene resins, vinyl asbestos tiles and other semi-rigid tiles based on vinyl compounds; from the beginning of 1966 rigid and semi-rigid tiles relate to thermoplastic tiles conforming to BSS2592 and vinyl asbestos tiles conforming to BSS3260 including those less than 0·006-inch thickness. Calendered vinyl flooring in sheet and tile form was up to the end of 1965 described as flexible vinyl flooring, printed and inlaid. Prior to 1966 figures for spread vinyl floorings relate to vinyl on a textile base only. Floor coverings of linoleum, vinyl and other synthetic materials not appropriate to previous headings are included in 'other'.

XI. CONSTRUCTION

Industrial building in Great Britain

These statistics are derived from administrative records and consequently their comparability from year to year has been affected by changes which have been made from time to time in legislation and its adminstration.

An industrial development certificate is needed to support any application for planning permission which would lead to the creation of an area of new industrial floor space, whether by change of use of existing buildings from a non-industrial to an industrial use or by new construction, above prescribed exemption limits. Before August 1965 the exemption limit was 5,000 square feet throughout Great Britain; a lower limit was then introduced for the South East and Midlands. In December 1970 the exemption limit was raised to 10,000 square feet, except in the South East and Midlands, where it was raised from 3,000 to 5,000 square feet. From August 1965 all cases under 5,000 square feet were excluded from the statistics for the South East and Midlands, and in future, in order to maintain comparability between the regions, all cases of under 10 thousand square feet are being excluded from all periods shown for all regions.

Under the Industrial Development Act 1966 the floor area of industrial space was defined to include ancillary space for storage, offices, canteens, etc., on industrial sites from August 1966 and all certificates approved since that date include such ancillary space. Before then ancillary space had been excluded, except in Scotland, Wales and the North, since 1960 or 1961, the date varying according to the region. The definition at the time of approval applies also to each project included in the statistics of completions; thus a project approved before August 1966 and completed in 1969 will in general exclude ancillary floor space. Of the floor area completed in January to September 1969 about 14 per cent was approved in July 1966 or earlier.

The statistics of area approved include certificates for

change of use from non-industrial uses, and of new buildings and extensions for manufacturing and non-manufacturing industry. Manufacturing industry constitutes the bulk of the total; in the three years 1967–69 approvals of new buildings and extensions for manufacturing industry made up 82·5 per cent of the total floor space approved, excluding cases below 5,000 square feet in the South East and Midlands, new buildings and extensions for non-manufacturing industry 13·2 per cent and change-of-use cases 4·2 per cent.

The figures of approvals include schemes which subsequently lapse. Crown buildings on Crown Land are excluded, apart from those built in assisted areas under the Local Employment Acts 1960–70.

The statistics of completions cover new buildings and extensions for manufacturing industry (Orders III to XIX of the Standard Industrial Classification, 1968).

Information may not be received until some time after an industrial building has been completed. For this reason, 'completed' figures are not published for the last two quarters. All figures are revised quarterly to incorporate later information received from industrialists.

Except where construction is planned to proceed by stages, the areas shown as 'completed' in the period are the areas of the whole schemes completed, and not the areas actually built in that period. Where construction is planned to proceed by stages, only the area of the stages completed is included in the figures: similarly where only part of the approved area has been completed and a substantial part allowed to lapse, 'completed figures exclude the part which has been allowed to lapse

Value and volume of constructional work and new orders obtained

The value of constructional work represents the value of such work put in place during the quarter and is based on returns collected from contractors and from public bodies with their own labour forces. Figures are also collected from contractors showing the value of new orders received analysed by twenty-two main types of work.

From 1955 until the end of 1958 the industries are defined according to the Standard Industrial Classification, 1948; from the beginning of 1959 the industries are defined according to the 1958 Standard Industrial Classification. In November 1968 these definitions were altered according to the revised 1968 Standard Industrial Classification. The changes are that Order XX now includes the laying of water mains and electricity cables, the erection of overhead lines, the value of work done by the direct labour forces of New Towns Corporations and Commission, and on-site industrialized building.

The output of building operatives employed by private firms outside the construction industries to carry out work on their own establishments is included if the firms have a separate building department.

The figures include the value of work done and orders received by contractors on opencast coal sites.

Building materials and components

The figures relate to the actual production and stocks as given in the returns submitted by producers.

The stocks figures relate to stocks at works, including sold and unsold.

Building bricks

The figures include common, facing and engineering bricks made from shale, sand lime, clay or concrete, but exclude glazed bricks and all types of refractory bricks.

Cement

Production figures show the actual quantity of Portland cement and Portland blast furnace cement ground.

Building sand

From third quarter 1958 the figures include sand used in the production of sand lime bricks.

Gravel

From 1959 onwards figures include hoggin.

Gypsum

Excludes anhydrite.

Asbestos cement sheets—corrugated

The figures include roof decking.

Roofing slates and tiles

Figures of roofing material are shown in square yards and relate to the area of roof coverage.

All types are included except fittings (gable ends, ridges, etc.).

Stoneware pipes

The figures include salt glazed pipes and fittings and unglazed stoneware or fireclay pipes.

Cast iron pipes and fittings

Including rainwater, hot water and soil pipes and gutters.

Metal windows and casement doors

The figures include windows in standard metal window section, windows and doors in universal section, standard and purpose-made windows in sash sections and curtain walling.

Housing

The tables on housing relate to permanent houses and flats built for local authorities, private owners, housing associations and government departments. The figures for the period 1945 to 1955 include rebuilt war-destroyed houses. Temporary houses and mobile homes are excluded.

The figures for local authorities include houses provided by the Commission for the New Towns and New Town Development Corporations and, in Scotland, by the Scottish Special Housing Association and in Northern Ireland by the Northern Ireland Housing Trust. Other housing associations are included with the figures for government departments in the column headed 'Other'.

Houses built for government departments are for the accommodation of the families of police, prison staffs, the armed forces and certain other services.

Educational building

Major building proposals and certain minor works in England and Wales require the approval of the Department of Education and Science. Approval is normally given about three months before the work is started. In the series for value of projects approved, deductions are made where approved expenditure is not fully taken up.

In England and Wales the value figures refer to the cost as estimated at the time of approval, the cost on tender, or the final cost, whichever is the latest figure available. When a revised value figure for a project becomes known, the change is incorporated in the cumulative total by adjusting the figures for the latest period, the figures for earlier periods (for example, the period in which the project was originally approved) remaining unaltered. Building projects in Scotland require the approval of the

Scottish Education Department. The Scottish figures for projects approved refer to approval at the sketch plan stage, which might be some six to twelve months before the start of construction, except those for the period from January 1954 to December 1959, which refer to the total cost as at the date of the acceptance of the tenders for approved projects which are ready to start. The Scottish figures of contracts under construction and completed are based on tender costs, except in the case of those relating to contracts completed from January 1954 to December 1959, both inclusive, where they have been adjusted in respect of any differences between tender and final costs as the latter became known.

The figures for England and Wales include the value of projects for which specific approval is not required.

Both tables exclude building work at independent schools, direct grant schools, universities, and certain other educational institutions such as theological colleges.

The method of calculation of the number of places provided differs in England and Wales, and Scotland. In England and Wales the figures refer to the number of pupils for which school accommodation is designed. In present circumstances, however, the number of children actually admitted to the new accommodation may exceed the number for which it is designed. In Scotland the figures refer to the sum of the approved capacities of the teaching rooms whether classrooms or practical rooms, and will normally exceed the number of pupils for which the accommodation is designed.

XII. RETAILING AND CATERING

Retail sales and stocks

Sales

The statistics relate to the total sales of different kinds of shop, that is, they are on a 'kind of business' basis. An account of the statistics was given in the *Board of Trade Journal* of 12 February 1965; a description of the seasonally adjusted series was given in the issue of 6 July 1962, and a description of the volume series was given in the issue of 10 November 1961 and a fuller description in *Economic Trends*, May 1962. The statistics are provisionally rebased on the preliminary results of the Census of Distribution, see *Board of Trade Journal* for 5 April 1968.

The statistics cover the whole field of retail trade in Great Britain. All forms of organisation—independent retailers, multiple retailers (chains with ten or more branches), co-operative societies, department stores and mail order houses—are represented. Independent retailers report sales on a shop basis. Multiple retailers report the sales on the aggregation of their branches. Co-operative societies report sales on a department basis, the departments being classified to the nearest appropriate kind of business. Department stores report sales on a shop basis and are classified as whole units to a single kind of business. Multiple retailers and co-operative societies report sales of all shops open in the reporting period so that in respect of these two types of retailer the statistics reflect changes in the number of shops, but no allowance is made for 'births' or 'deaths' among the independent retailers and department stores.

The statistics are based on voluntary returns from a substantial sample of contributors spread over the different kinds of business and the different forms of organisation and chosen to be representative as far as possible of the different sizes of retailers and the different parts of the country. The panel of independent retailers numbers some 10,000 shops, while the large scale retailers who contribute, account for more than 70 per cent of the total sales of these retailers. Many of the large scale retailers were recruited by the co-operating retail trade associations—the Co-operative Union, the Drapers' Chamber of Trade of Great Britain and Northern Ireland, the Multiple Shops Federation and the Retail Distributors' Association. The results are compiled so as to give due weight, as far as possible, to different sizes of contributor, different regions (co-operative societies and department stores only), forms of organisation and kinds of business. In this, and in the initial selection of the panel of contributors, the results of the Censuses of Distribution and Other Services are used.

The statistics relate to the total sales of shops, inclusive of purchase tax, and inclusive of receipts from the sale of meals, from services to customers (for example, repairs) and rentals received for goods (for example, radio or television sets). Hire purchase and other instalment credit sales are valued at the credit price of the goods (that is including deposits and, where the credit is provided by the shop, credit charges). Figures of credit sales relate only to the period during which the transactions took place, i.e. cash received from credit sales in previous periods is not included. Sales by chemists exclude receipts under the national health service. The statistics, being on a kind of business, and not a commodity basis, do not cover sales of goods by establishments not classified to the kinds of business covered in the statistics, for example, they do not cover the sale of cigarettes and tobacco in public houses or the sale of goods in restaurants and cafés.

The basic estimates of the value of sales each month are constructed by comparison with the corresponding month of the preceding year, 'chaining' back to the base year. The methods used to obtain the seasonally adjusted value and volume estimates are described in the issues of the *Board of Trade Journal* referred to above.

The latest summary statistics are published each month in *Trade and Industry;* detailed unadjusted statistics appear each month in the Business Monitor series.

Stocks

The index numbers of retail stocks are estimates, based on the limited information available, and are calculated in the same way as the retail sales indices, a description of

which was given in the *Board of Trade Journal* of 12 February 1965. They relate to the same coverage of retail trade as the sales statistics and are on the same 'kind of business' basis. The reporting sample is confined to large scale retailers (multiple retailers, co-operative societies, department stores and large independent clothing and furniture shops) and accounts for about 40 per cent of the stocks of large scale retailers or about 20 per cent of total stocks. This restricted information has been used to compile estimates of total retail stocks by giving to the independent retailers not represented in the sample an appropriate weight, kind of business by kind of business, and assuming for them the same stock movements as for the sample. Incorporated in the estimates is information on stocks at the beginning and end of 1966, mainly derived from the Census of Distribution 1966.

Catering turnover

Estimates of changes in the turnover of the catering trades, based on returns sent in each month by a selection of organisations and establishments in these trades, are calculated in much the same way as the estimates of retail trade described above. The results are compiled so as to give due weight, as far as possible, to different sizes of contributors, forms of organisation and kinds of business, using for this purpose the results of an inquiry into the catering trades in respect of 1964, and the results are based on 1964 = 100. A description of the series and of its rebasing on 1964 = 100 was given in the *Board of Trade Journal*, 18 November 1966. Summary statistics are published each month in *Trade and Industry;* detailed statistics are published in the Business Monitor series.

XIII. TRANSPORT

Road vehicles in Great Britain

These figures are compiled from information received by the Ministry of Transport from all registration and licensing authorities (county, county borough and burgh councils) in Great Britain which administer the Vehicles (Excise) Act, 1962. The statistics are thus a by-product of administration and the classes shown correspond in the main to taxation classes. The figures include all vehicles which pay tax and certain vehicles which are exempt from the payment of tax. Most of the latter carry a form of licence known as a 'nil' licence. The figures for licences current exclude trade licences issued to manufacturers and repairers of, and dealers in, motor vehicles and vehicles used by the Services.

Exempt vehicles fall into two groups:

Vehicles which are designed and used for particular purposes

Vehicles in this group (such as invalid vehicles, snow ploughs and certain road construction vehicles) are registered when they are first brought into use and, although they pay no tax, they carry a 'nil' licence. Some vehicles of this type (viz. fire appliances, ambulances and road rollers) do not carry a licence disc.

Vehicles which make little or no use of public roads

Vehicles which make little use of public roads, that is, travel not more than six miles per week while passing between different parts of the owner's land, are registered but carry no licence.

Vehicles in these exempt groups appear separately in statistics of licences current, but are combined with vehicles of their appropriate type in statistics of new registrations.

Vehicles which are never used on public roads, that is, on roads repairable at the public expense, are not required to bear a licence and do not appear in the statistics of licences current. Furthermore, such vehicles are not required to be registered, unless the 'private' roads on which they are used are roads to which the public have access (for example, roads within railway termini). With this exception, the statistics of registrations do not include vehicles which are never used on public roads.

Vehicles owned by government authorities

Vehicles belonging to the three Services operate under a special registration and licensing system. Such vehicles are not included in either table.

All other vehicles owned by government departments are registered but pay no tax. From 1951, these vehicles have operated under Certificates of Crown Ownership and are shown separately in statistics of licences current, but are combined with vehicles of their appropriate type in statistics of new registrations.

The following points should also be noted:

(*a*) Vehicles for public conveyance, buses, trolleybuses, coaches, taxis and some private hire cars are all in the same taxation class as 'hackneys' and are therefore grouped together in these statistics. It is not possible to analyse this group except according to seating capacity and type of fuel.

(*b*) The column headed 'Cars' includes some other vehicles which, because they do not fall into any other classification, are taxable on the same basis as cars.

(*c*) The columns for New registrations headed 'Tractors and engines', include haulage tractors, agricultural tractors and other agricultural machinery which are used for certain defined purposes connected with agriculture and forestry; trench diggers, excavators and mobile cranes which are used on roads only for proceeding to and from working sites; and mowing machines. In the Licences current table, haulage tractors are included with goods vehicles.

Method of collecting statistics of licences current

In 1966 the annual statistics were derived by means of a complete census of vehicles registered by all registration and licensing authorities. In other years, the statistics are based on samples of one-tenth or one-twentieth of all vehicles registered by most authorities; a complete census was maintained by those authorities with fewer than 10,000 registered vehicles. In both the full and sample censuses, a vehicle is included in the statistics if it had a licence current at any time during the September quarter.

The end of month figures are estimates based on taxation returns.

Road traffic and inland goods transport in Great Britain

The index of vehicle miles shows trends in the mileage travelled by vehicles on the roads of Great Britain. The monthly figures relate to calendar months and therefore include the effects of variations in the number of weekdays and weekends and of the incidence of public holidays. The basis is a regular series of traffic counts at a randomly selected sample of points on the road system. Automatic axle counters at 50 sites, provide a

continuous record of trends in total motor traffic and monthly manual counts at over 200 sites provide the basis for estimates of individual vehicle class, including bicycles. Fresh benchmark estimates are obtained from occasional short-period counts at a larger number of sites. For fuller details see *Highway Statistics*.

The analysis by vehicle type is based upon roadside observation; thus vehicles are classified in accordance with their general appearance.

The railway figures in the index of ton-miles of inland goods transport are derived from statistics compiled by British Rail. The annual figures for road transport are estimated from periodic sample enquiries, traffic count data, trends in the goods vehicle population and changes in industrial output. The monthly road transport figures are estimated from the traffic counts described above, making allowance for the fact that the growth of ton-miles is greater than the increase in vehicle-miles. Separate estimates are made for large and small goods vehicles and the figures aggregated to cover all vehicles.

Index numbers for both road and rail transport are obtained by dividing each month's figure of ton-miles performed by road and rail respectively by the monthly average in 1958. The results are adjusted to eliminate the effect of variations in the length of calendar months so as to give the average weekly rate. Index numbers for inland goods transport are derived from the combined figures of ton-miles performed by road and rail and converted to index form as explained above for road and rail separately.

Road casualties in Great Britain

These figures are compiled from information received by the Department of the Environment and the Scottish Development Department from police forces throughout Great Britain. Only those casualties from road accidents occurring on the public highway are included.

Casualties are classified according to the degree of injury sustained. The degrees of injury are defined as follows:

Killed: Died within 30 days of the accident.

Serious injury: An injury for which a person is detained in hospital as an inpatient, or any of the following injuries whether or not he is detained in hospital: fractures, concussion, internal injuries, crushings, severe cuts and lacerations, severe general shock requiring medical treatment.

Slight injury: An injury of a minor character such as a sprain or bruise, or a cut or laceration not judged to be severe. Cases of shock are not included unless they appear to need medical treatment.

Road passenger transport

The quarterly figures for buses and coaches other than those operated by London Transport are based on a return from operators of more than 24 vehicles who accounted for 96 per cent of passenger journeys and 89 per cent of passenger receipts in 1969. The figures given include estimates for the smaller firms not making quarterly returns.

A return from all operators is used to compile the annual figures.

Traffic receipts

Passenger receipts are the receipts from passenger fares of all kinds. Charges for platform tickets, seat reservations, left luggage, etc., which are classed as miscellaneous receipts, are excluded.

British Rail

Coal and coke include patent fuels, slack, smudge, cannel and coal cinders for fuel.

Iron and steel comprises crude and semi-finished steel; finished steel; iron ore; pig iron; scrap iron and steel; limestone, dolomite and lime for iron and steel works; iron castings.

London Transport

Traffic receipts are derived entirely from passenger traffic.

Passenger journeys

The figures of passenger journeys show the number of journeys originating on the British Rail and London Transport systems. Prior to the end of 1962 passenger journeys originating on the railways of London Transport and terminating on British Rail within the area for which through-booking arrangements are in force are included in London Transport. Conversely passenger journeys originating on British Rail and terminating on the railways of London Transport are included in British Rail. From 1 January 1963, passenger journeys commencing on one system and terminating on the other are included in the figures for both British Rail and London Transport.

Children's tickets are counted as whole journeys. Return tickets are counted as two journeys and the number of journeys by season ticket-holders up to the end of 1962 is on the basis of 600 journeys per annum. From 1 January 1963, season tickets on British Rail are counted on the basis of 540 journeys per annum. Government department traffic (for example, naval and military) and other reduced fare traffic are included.

Freight traffic

British Rail

The figures of traffic originating show the tonnage of revenue-earning traffic conveyed by British Rail at freight train rates. Cross-channel traffic invoiced to interior stations is treated as originating at the port of entry. Materials for British Rail conveyed without public charge, whether on revenue-earning or departmental (including ballast) trains, are excluded.

Net ton-miles are calculated by multiplying the loaded wagon miles for each type of traffic by the respective average wagon loads of forwarded and received traffic in combination. Up to and including 1962 the figures are based on miles actually hauled and include free-hauled traffic except that hauled by departmental trains. From the beginning of 1963 they are based on miles charged for and exclude all free-hauled traffic.

Inland waterways

The figures of traffic originating shows the total freight tonnage conveyed over the Board's inland waterways in craft operated by the Board and others.

Net ton-miles are calculated by multiplying the tons of traffic by the distance (to the nearest quarter mile) conveyed over the Board's waterways.

Civil aviation

The statistics cover the scheduled services of British Overseas Airways Corporation, British European Airways and United Kingdom private companies.

Scheduled services are those shown in published timetables, including supplementary flights.

Scheduled services operated temporarily under charter by another airline on behalf of a United Kingdom airline are included.

The figures refer only to revenue mileage and traffic (mileage and traffic for which remuneration is received or sought) on scheduled services and therefore do not include such items as training, positioning and test flights and non-paying passengers and cargo.

In compiling mileage statistics, distances have been calculated on the Great Circle distance in statute miles between two traffic stops. If a technical stop intervenes the distance is the sum of the two stages caused by the technical stop.

Domestic services

Services flown entirely within the United Kingdom, including the Isle of Man and the Channel Islands.

International services

Services flown wholly outside the United Kingdom, or wholly or partly between the United Kingdom and places outside.

Passengers

The number of passengers carried is based on the number of seats occupied by fare-paying passengers. Children at half-fare are included but not children at 10 per cent fare (children under two years of age, not occupying a separate seat). Passengers travelling over more than one stage with through tickets are counted once only but passengers with return tickets are counted in both directions.

Mail

This class of traffic covers only mail handled by the postal authorities and includes troop mail. Diplomatic bags are included under freight.

Freight

Freight includes excess baggage, and freight and mail under diplomatic cover. The weight of vehicles carried on vehicle ferry services is included in freight.

Merchant vessels registered under the British flag

Miscellaneous craft

Sailing vessels, vessels employed on the Great Lakes, tugs, fishing vessels, dredgers, river and other non-sea-going vessels

Gross tonnage

Gross tonnage is the total volume of all the enclosed spaces of a vessel. The unit of measurement is a ton of 100 cubic feet.

Deadweight tonnage

Deadweight tonnage is the total weight in tons of 2,240 lb. that a ship can legally carry, that is the total weight of cargo, bunkers, stores and crew.

XIV. EXTERNAL TRADE

The monthly figures are derived from the monthly *Overseas Trade Statistics* formerly the *Overseas Trade Accounts*. The grouping of commodities in the *Monthly Digest* is based on the Standard International Trade Classification (Revised) of the United Nations. For purposes of trade statistics 'United Kingdom' is defined as Great Britain, Northern Ireland, the Isle of Man, the Channel Islands and the Continental Shelf (United Kingdom Part). The figures include the trade of the Channel Islands and the Continental Shelf (United Kingdom Part) with overseas countries other than the United Kingdom. The United Kingdom and the Foreign Part of the Continental Shelf are areas defined by International Convention.

The statistics of overseas trade comprise all merchandise imported into or exported from the United Kingdom with the exception of the items mentioned below whether or not the imports are intended at the time of importation for use in the United Kingdom or for re-export, and whether or not the exports are from Customs bonded warehouses. The statistics of imports therefore include British goods re-imported and goods imported for process or for incorporation with other goods and subsequent re-exportation. This system is known as the 'general' system of recording trade statistics. Re-exports are not separately distinguished and are included throughout with exports of United Kingdom produce. The statistics of exports do not contain any allowance for the under-recording of exports referred to in the *Board of Trade Journal* 10 September 1969 and in *Trade and Industry* 25 November 1970.

Changes in the coverage of the *Overseas Trade Statistics* are made from time to time, but as far as possible all earlier figures in the *Digest* are adjusted to conform to the coverage and definitions in operation in the latest period shown.

In some cases it is not possible to adjust figures for all periods to a comparable basis, and the following discontinuities should be noted:

(*a*) From January 1968 imports and re-exports of spares for the maintenance of foreign registered and owned aircraft used on international air services have been excluded from the *Overseas Trade Statistics*; no adjustments have been made for earlier years.

(*b*) From 1 January 1970 imports and exports, other than by parcel post, of an individual value less than £50 are aggregated under SITC(R) Subgroup 931.02 as 'Other transactions not classified according to kind'. This trade, amounting to a very small proportion of total trade, is not analysed either by commodity or country. Figures for 1970 and 1971 for individual commodity and country headings are therefore deficient to the extent of these consignments.

The monthly averages for each year, or part of the year, are calculated from adjusted cumulative totals and do not necessarily correspond precisely with the average of the monthly figures.

Coverage of the statistics

The following classes of goods are excluded from the *Overseas Trade Statistics:*

(*a*) sea-going vessels and aircraft (except ships for breaking up, and newly built vessels or aircraft arriving on purchase from abroad or departing on sale abroad); imports of spares for foreign registered and owned aircraft used on international air services, and such spares re-exported.

(*b*) certain atomic energy materials imported or exported by the United Kingdom Atomic Energy Authority or its agents, including uranium ore and concentrates.

(*c*) stores and equipment exported for use by United Kingdom Forces or returned from such use; other British government owned stores exported for British government use overseas or returned from such use. (Stores shipped abroad for NAAFI, the YMCA and similar organisations are however included.)

(*d*) stores and equipment imported by Commonwealth and foreign government Forces in the United Kingdom solely for their own use (including American Post exchange stores); and such stores re-exported.

(*e*) goods directly imported by Ambassadors or Ministers accredited to the United Kingdom.

(*f*) touring, passenger or load-carrying road or railway vehicles, temporarily entering or leaving the United Kingdom for subsequent departure or return.

(*g*) circulatory containers, pallets and the like.

(*h*) fish and other natural produce of the sea or sea-bed taken by vessels registered in the United Kingdom.

(*i*) personal and household effects; parcels carried by passengers for private use; legacies.

(*j*) used clothing and household goods exported by charitable organisations.

(*k*) stores and fuel on board ships, aircraft and vehicles and intended for consumption en route.

(*l*) ballast not of commercial value; dunnage; oil sludge and tank cleanings; waste for dumping at sea.

(*m*) professional effects (e.g. survey, film and radio equipment, theatrical properties, musical instruments and the like) temporarily imported or exported for a specific use and subsequent return.

(*n*) works of art and other goods temporarily imported or exported solely for exhibition, display or demonstration purposes and subsequent return.

(*o*) trade samples (including arbitration samples).

(*p*) gold and monetary items (i.e. gold coin and bullion, unrefined and semi-manufactured gold and other coin and notes of legal tender in the United Kingdom).

Parcel post

Imports by parcel post valued at over £50 and charged to duty are treated in the same way as the general run of imports and are included in the statistics according to their description.

Other imports and exports by parcel post are, generally speaking, included in Section 9 under the heading 'Post parcels not classified according to kind' (SITC(R) Item 911.0). Consequently the figures for the descriptions of particular goods in the Tables are deficient to the extent of the volume of this parcel post trade.

The figures of imports and exports by parcel post referred to relate to goods sent through the GPO as 'Parcel Post'; they do not include packets sent by 'Letter Post' or by 'Printed Paper Post'. The limit of weight for parcel post is 22 lb.

Period covered by the monthly *Overseas Trade Statistics*

In general, the figures show the trade as declared by importers and exporters on the completed documents received in the Statistical Office of HM Customs and Excise at Southend during a month. With certain exceptions, traders are allowed a short period of grace before documents have to be presented at the ports.

Export documents are normally presented after shipment; the normal period of grace allowed is six days. There is a further interval before copies reach Southend. The effect of these lags is increased owing to the fact that the processing of the export statistics precedes the processing of the import statistics, and begins shortly before the end of the calendar month.

Importers are usually required to present their documents before they can obtain Customs clearance and remove the goods. Moreover, the total for imports includes those recorded in documents reaching Southend up to the third working day after the end of the month. The import statistics therefore correspond more closely than the export statistics to trade during the calendar month.

Quantities and values

Both quantities and values are based on the declarations of importers and exporters or their agents and may be verified by Customs officials. The values of imports are required to be on a c.i.f. (cost, insurance and freight) basis as defined in the Sixth Schedule to the Customs and Excise Act, 1952 (and by Section 258 of that Act) at the time when the goods are entered.

Essentially, this value is the price which the goods would fetch, at that time, on a sale in the open market between buyer and seller independent of each other, with delivery to the buyer at the port or place of importation, the seller bearing freight, insurance, commission and all other costs, charges and expenses incidental to the sale and the delivery of the goods with the exception of any duty or tax chargeable in the United Kingdom.

Normally, for goods imported under a contract of sale negotiated in fully open market conditions, the value is represented by the price made under that contract, adjusted as necessary to take account of costs, charges and expenses as above. Where an amount in foreign currency has had to be converted to its sterling equivalent, the rate of exchange used has been that appropriate at the time of lodgment of the Customs entry.

The values of exports are required to be on an f.o.b. (free on board) basis viz. the cost of the goods to the purchaser abroad, including packing, inland and coastal transport in the United Kingdom, dock dues, loading charges, and all other costs, profits, charges and expenses (for example, insurance and commission) accruing up to the point where the goods are deposited on board the exporting vessel or aircraft or at the land boundary of Northern Ireland.

Transit trade

Goods in transit through the United Kingdom are not included in the statistics. Goods entered for transhipment may be either dutiable or free of duty, and either for removal from a vessel in one port and conveyance to another port for re-shipment abroad, or for removal under the same conditions from one vessel to another in the same port.

Goods transhipped under bond are to be distinguished from goods which are entered for storage in bonded warehouses and are afterwards exported therefrom, these latter goods being included in the general statistics of imports and exports.

Seasonally adjusted figures of United Kingdom trade

An explanation of the methods used to compute the seasonally adjusted figures was given in the *Board of Trade Journal* of 6 November 1959.

Index numbers of the volume of imports and exports

The volume index numbers are designed to show movements in our imports and exports after eliminating variations due merely to price changes. They are prepared by estimating what the value of the goods imported (or exported) in the current period would have been if their prices had been those of the base period (1961). This estimate is then compared with the value of goods actually imported or exported in the base year; the indices thus give a measure of changes in the value of imports and exports at constant prices. The calculation is based on the quantity and value particulars for each of a sample of headings in the *Overseas Trade Statistics*, the prices used being the average values per unit obtained by dividing the value of trade recorded for the heading by the corresponding quantity (numbers, tons, yards etc). A fuller explanation of the methods used to compute this series was given in *Economic Trends* of September of 1963.

Trade by areas and countries

The areas used are defined as follows:

Countries of consignment

Particulars of imports and exports are given according to the country from which or to which the goods are consigned.

Imports are classified as received from the country from which the goods were originally despatched to the United Kingdom with or without breaking bulk in the course of transport, but without any commercial transaction in any intermediate country. The country from which goods are consigned is not necessarily the country of shipment, origin or manufacture. Exports are classified as despatched to the country which is the last country to which the goods are consigned, with or without breaking bulk in the course of transport, but without any commercial transaction in any intermediate country. The country to which goods are consigned is not necessarily the country of unshipment or final destination. Exports of newly built sea-going ships are normally classified as despatched to the country of registration.

Goods consigned direct to the United Kingdom from fishing vessels other than those of United Kingdom registration are classified as received from the country in which the vessel is registered.

Commonwealth countries

Independent members and all colonies, protectorates, trust territories, territory under condominium and the protected states of Bahrein, Quatar and Trucial States.

Sterling area countries

All commonwealth countries (except Canada and Rhodesia) together with Iceland, Irish Republic, Jordan, Kuwait, Libya, Muscat and Oman, Republic of South Africa, South-West Africa Territory, and The People's Republic of Southern Yemen.

North America

United States of America and dependencies and Canada.

European Free Trade Association (EFTA)

Finland, Sweden, Norway (including Spitsbergen), Denmark, Greenland, Faroe Islands, Iceland, Switzerland and Leichtenstein, Portugal, Azores, Madeira and Austria.

European Economic Community (EEC)

Western Germany, Netherlands, Belgium, Luxembourg, France and Italy.

Western Europe

Countries of EFTA (except Iceland) and EEC, Continental Shelf (Foreign Part), Spain, Canary Islands and Spanish ports in North Africa, Yugoslavia, Greece and Turkey.

Latin America

Cuba, Republic of Haiti, Dominican Republic, Mexico, Guatemala, Honduras (not British), El Salvador, Nicaragua, Costa Rica, Colombia, Panama (including Canal Zone), Venezuela, Ecuador, Peru, Chile, Brazil, Uruguay, Bolivia, Argentine Republic and Paraguay.

Soviet Union and Eastern European countries

Soviet Union, Poland, Hungary, Czechoslovakia, Albania, Bulgaria, Rumania and Eastern Germany.

XV. OVERSEAS FINANCE

Balance of payments

The items in this table are more fully defined in *United Kingdom Balance of Payments, 1970* (the Pink Book).

Current account

Exports f.o.b., and imports f.o.b.

The *Overseas Trade Statistics* are the basis of the balance

of payments figures but certain adjustments are made in respect of valuation and coverage. The principal adjustment is the deduction of freight and insurance from the *Trade Statistics* figures of imports.

Invisible balance

The net total of all invisible transactions, comprising:

United Kingdom government payments and receipts in respect of services and transfers;

Shipping and civil aviation;

Travel;

Other services (including commissions, insurance and other 'City earnings', advertising, royalties, education and overseas governments' expenditure in the United Kingdom);

Interest, profits and dividends;

Private transfers.

Investment and capital flows account

Official long-term capital

Inter-government loans

The entries under this item cover drawings and repayments of loans made by the United Kingdom government to overseas governments and drawings and repayments of loans made to the United Kingdom government by overseas governments.

Other United Kingdom official long-term capital

This item covers the United Kingdom capital subscriptions to the IFC, IDA, the European Fund and, from 1966, the Regional Development Banks. Also included in this item are net changes in other overseas assets held by the United Kingdom government or such organisations as the CDC and the UKAEA, and the loan from the Deutsche Bundesbank in 1968.

Overseas investment in UK public sector

This consists of changes in the holdings by overseas residents of United Kingdom government and government guaranteed stocks (excluding changes in holdings by overseas commercial banks and central monetary institutions), local authority securities and mortgages, public corporations net issues abroad and public sector borrowing abroad from banks, etc.

UK and overseas private investment

A sub-division of UK private investment overseas is made between direct, portfolio and other investment, the latter including oil investment. Overseas investment in UK private sector is sub-divided between direct investment, portfolio investment in UK company securities, and other investment.

Direct investment comprises investment by United Kingdom companies in their overseas branches, subsidiaries and associates, including the reinvestment of retained profits, and by overseas companies in their United Kingdom affiliates. Investment by insurance companies, other than that of United Kingdom companies, from 1963, is excluded from this item.

UK portfolio investment overseas consists mainly of net purchases and sales of overseas government, municipal and company securities.

Overseas investment in UK company securities represents the changes in the holdings by overseas residents of UK company securities, including securities issued abroad.

Other (oil and miscellaneous) investment includes United Kingdom oil companies' investment abroad and overseas oil companies' investment in the United Kingdom on a basis comparable with the estimates of other direct investment. Other overseas investment by UK residents includes investment in real estate, CDFC and, prior to 1963, investment by United Kingdom insurance companies (*see* note under direct investment). Other overseas investment in the UK private sector includes borrowing by UK companies direct from banks and commercial companies overseas and identified investment in real estate and in the insurance industry in the United Kingdom.

Euro-dollar borrowing for investment overseas

See note on Foreign currency transactions of UK banks.

Import credit

This item consists of the change in trade credit received by United Kingdom businesses from overseas businesses other than affiliates and parent companies, *less* advance and progress payments from the United Kingdom.

For convenience, import deposits paid directly from overseas firms are included in the same heading.

Export credit

The entries consist of the changes in trade credit extended by United Kingdom businesses to overseas businesses other than affilitates and parent companies, less advance and progress payments, and credit extended by banks in the United Kingdom.

Balances (gross) of overseas sterling area countries and of non-sterling countries

These comprise: (i) the following UK liabilities in sterling:

(*a*) Deposits, certificates of deposit and Treasury bills (excluding the sterling counterpart of official borrowing) held for banks overseas (including overseas offices of UK banks) and other account holders abroad, by banks and their nominee companies in the UK and by certain other financial institutions. Similar funds held with the Crown Agents for Oversea Governments and Administrations are also included.

(*b*) Temporary loans to and bills drawn on local authorities, and deposits with hire purchase finance companies, whether made direct by overseas residents or by UK banks and other UK agents for account of overseas residents.

(*c*) British government and government guaranteed stocks known to be held by overseas banks and central monetary institutions, but not by other holders; at nominal value and excluding issues by overseas public authorities guaranteed by the UK government.

(ii) Similar UK liabilities in overseas sterling area currencies.

Foreign currency transactions of UK banks

Covers changes in external liabilities and claims of UK banks in non-sterling currencies other than liabilities as commercial bills and claims in the form of bills lodged with the banks. Currencies on-lent by UK banks to UK residents in the form of revolving credits to finance investment overseas are separately distinguished.

Other short-term flows

Consists of changes in the following: total United Kingdom external sterling claims other than export bills; United Kingdom external claims in overseas sterling

area currencies; official assets and liabilities (n.e.i.) other than import deposits paid directly from overseas; other commercial short-term transactions (net); external sterling liabilities to international organisations other than the counterpart of official medium-term borrowing from the IMF, and IMF gold deposits in the United Kingdom.

Balancing item

Represents the net total of errors and omissions in other items.

EEA loss on forwards

Records the loss arising from the fact that the Exchange Equalisation Account's forward commitments with the market entered into before devaluation has been recorded as settled on maturity at the new parity.

Official financing

IMF

United Kingdom drawings and repurchases, and drawings and repurchases in sterling by other countries which affect the UK's repurchase obligations to the IMF.

Other monetary authorities

Net borrowing from Switzerland (with a sterling counterpart) in parallel with drawings from the IMF under the General Arrangements to Borrow, other net borrowing from monetary authorities in the form of assistance with a sterling counterpart and net borrowing from other monetary authorities (and a consortium of Swiss banks in 1967) in the form of foreign currency deposits.

Transfer from dollar portfolio to reserves

The transfer of the government's portfolio of dollar securities to the official reserves.

Official reserves

Changes in the sterling equivalent of the gold, IMF Special Drawing Rights and convertible currencies held in the Exchange Equalisation Account. The table shows the level of the reserves broken down between gold, SDR's and convertible currencies.

XVI. HOME FINANCE

Consolidated Fund and National Loans Fund

Up to 31 March 1968, the Consolidated Fund was virtually synonymous with the term 'Exchequer' which was then the Government's central cash account. From 1 April 1968, the National Loans Fund was set up with a separate cash account also at the Bank of England. From that date all the transactions relating to the National Debt and most transactions connected with government lending were transferred to the new Fund from the Consolidated Fund.

This table summarises the information given in the latest account of the Consolidated Fund and National Loans Fund transactions which is published monthly in a form comparable with that used in the *Financial Statement and Budget Report*.

Consolidated Fund

Revenue

Includes payments into the Consolidated Fund of broadcast receiving licence receipts, interest, dividends and other miscellaneous receipts in addition to tax revenue. Interest and dividends receipts include amounts received from the Bank of England and Cable and Wireless Ltd., to cover interest on compensation stock, as well as interest on amounts advanced from Votes and dividends on capital investment and shares. Other miscellaneous receipts consist of receipts by departments, other than interest, which they are not authorised to appropriate in aid of their Votes; and certain receipts paid direct to the Treasury. The composition of these receipts varies from year to year.

Expenditure

The bulk of expenditure is for issues to Votes on supply services. The remaining expenditure is for standing services and comprises the following items:

(i) Debt interest—reimbursement to the National Loans Fund of interest and management charges of the National Debt to the extent that they are not matched by interest received by the Fund on its own lending and by profits of the Issue Department of the Bank of England.

(ii) Payments to Northern Ireland in respect of their share of reserved taxes, etc.

(iii) Other expenditure—the largest items are the repayment of post-war credits, together with interest and the net advances made to the Civil Contingencies Fund from time to time to finance urgent expenditure in advance of Parliamentary authority.

National Loans Fund—net lending

The loans are shown net of repayments. Loans to nationalised industries are classified by purpose; thus Electricity covers the North of Scotland Hydro-Electric Board and the South of Scotland Electricity Board, as well as the Electricity Council, whilst Aviation covers the British Airports Authority, as well as the British Overseas Airways Corporation and the British European Airways Corporation. Amongst other types of loans, those to local authorities include loans to harbour authorities; loans to the private sector are to housing associations, building societies and shipbuilders (under the Ship Credit Scheme); whilst lending within the central government includes advances to the Redundancy Fund, the Land Commission and the Northern Ireland Government as well as certain lending to Votes for capital purposes. Lending associated with the redemption of government guaranteed stock is now shown separately.

Central government borrowing requirement net balance

The conventional account of the Consolidated Fund and National Loans Fund transactions is not a convenient form for the purpose of general financial analysis, because transactions are categorised by types of debt rather than by sources of borrowing. Moreover, most of the transactions of the central government are with official funds and agencies which are themselves engaged in transactions with the public. For instance, national insurance payments and contributions are brought to account in the National Insurance Funds, all of whose capital is government debt. As the balance on these funds rises and

falls, so the central government's indebtedness to the funds is increased or diminished.

In order to arrive at a figure of borrowing by the central government from the figures given in the account of Consolidated Fund and National Loans Fund transactions, it is necessary to take account of changes in the central government's net indebtedness to these various official funds and agencies, known collectively as Other Central Government funds. The consolidated total represents the government's borrowing requirement which is the amount the government has to borrow *less* increase (or *plus* decrease) in its holdings of official reserves.

Departmental balances and miscellaneous: this item comprises

(i) changes in balances on the accounts kept by government departments, mainly with the Paymaster General; and

(ii) Prior to October 1969 changes in the Postmaster General's cash surplus invested with the central government and subsequently changes in cash surpluses of the Director of Savings.

Inland Revenue duties

The figures show the aggregate amount of tax actually collected and brought into the department's accounts in the period shown, *less* the repayments made during the same period. They differ from the figures of amounts paid into the Consolidated Fund owing to the time taken to realise remittances. In the main the difference represents the variation between the amount of unrealised remittances brought forward from the previous period and that carried forward to the following period.

Amounts collected by other departments on behalf of the Inland Revenue, such as stamp duties paid by means of postage stamps, are included. Amounts collected by the Board of Inland Revenue on behalf of other departments, for example, national insurance graduated contributions and fee stamps, are excluded. Excess profits tax post-war refunds are excluded but the income tax deducted therefrom is included; the amounts involved are now negligible.

Customs and Excise duties

The figures show the aggregate amounts of duty collected and brought into the department's accounts in the period *less* drawbacks and other repayments. The difference between the net receipts and payments into the Consolidated Fund arises from changes in:

(i) working balances held by collectors;

(ii) remittances in transit; and

(iii) advances out of revenue to meet expenditure under authority of the Exchequer and Audit Departments Act, 1866, Section 10.

Purchase tax is remitted to collectors during the quarter following that in which the registered traders have charged the tax. Accordingly, changes in tax rates, etc. are not reflected in receipts until the quarter subsequent to that in which the change became effective. Similarly, beer duty is collected a month in arrear.

Export rebates

Export rebates are taken to include also relief for shipbuilders under the Finance Act, 1966, Section 2. Export rebates are payable quarterly in arrear, but under the Revenue Act of 1968 they are not due on goods exported after 31 March 1968, unless the goods were exported under certain contracts made before the announcement of devaluation. Shipbuilders' relief continues, however, and is payable on delivery of the ship.

The amounts taken into account are the total payments; payments to HM Customs and Excise from the Ministry of Transport (in respect of the motor vehicle licence duty element in export rebates and shipbuilders' relief) are included as a receipt in the column for other revenue. Similarly the receipts of hydrocarbon oil duty and purchase tax are unabated in respect of payments of export rebates and shipbuilders' relief.

Bank of England

The only Banking Department liabilities not shown are Capital (constant at £14·6 million) and Rest (which has fluctuated between £3·1 million and £4·0 million in the periods shown).

Certain export and shipbuilding credits (see London clearing banks: bills discounted) are refinanced out of the resources of the Issue Department. Such refinance is included in 'Other securities' in the Bank Return and thus shown under 'Other assets' in the table.

Public deposits

All government balances held at the Bank, including the accounts of HM Exchequer, the National Loans Fund and HM Paymaster General, dividend accounts, those of the Commissioners for the Reduction of the National Debt, and those connected with tax collection and various government funds.

Special deposits

Deposits called, under the Special Deposits Scheme announced in July 1958, from the London clearing banks and the Scottish banks which are not at their free disposal. Amounts are calculated as percentages of the latest available monthly total deposits of each bank (excluding for the London clearing banks deposits with branches outside Great Britain).

Interest is paid on Special deposits at a rate adjusted weekly to the nearest $\frac{1}{16}$ per cent per annum to the average rate for Treasury bills issued at the latest weekly tender.

Bankers' deposits

Include the balances, held at the Bank, of the London clearing banks, Scottish banks and discount houses, the offices in the United Kingdom of some other deposit banks, accepting houses and a number of overseas and other banks. Balances of overseas central banks are included in Other accounts.

Other accounts

These also include balances held at the Bank by the Crown Agents for Oversea Governments and Administrations, and the dividend accounts of stocks managed by the Bank other than the direct obligations of the British Government.

London clearing banks

A more detailed version of this table and of the definitions and explanatory notes is published in *Financial Statistics*.

The London clearing banks are the six banks (Barclays Bank Ltd., Coutts & Co., Lloyds Bank Ltd., Midland Bank Ltd., National Westminster Bank Ltd., and Williams & Glyn's Bank Ltd. forming the membership of the Committee of London Clearing Bankers. They are the principal commercial banks operating in England and Wales. After 31 March 1966 the figures exclude the Irish business of the National Bank, (now part of Williams & Glyn's Bank) transferred to the new National Bank of Ireland.

Deposits

Balances on current accounts may be withdrawn or transferred on demand, usually by cheque.

Deposit accounts are not ordinarily operated upon by cheque. Balances are usually lodged for a definite period or subject to agreed notice of withdrawal (seven days' notice since January 1955).

Total liquid assets

The ratio of Total liquid assets to Deposits (the liquidity ratio) is the conventional measure of the London clearing banks' liquidity; it does not take account of the extent to which they hold other assets of comparable liquidity or of the terms on which the deposits are held.

Liquid assests comprise:

Coin, notes, and balances with the Bank of England

The cash holdings of the banks.

Money at call and short notice

Money at call, etc. includes all loans to members of the London Discount Market Association for carrying bills of exchange, Treasury bills and other short-term government securities. It also includes loans, for periods not exceeding one month, to other United Kingdom banks, to members of the Stock Exchange, on the security of readily marketable stocks and shares, to bullion brokers, to bill brokers and to similar money market institutions which are not members of the London Discount Market Association, and to money markets in other centres; balances in foreign currencies with other banks, both in the United Kingdom and overseas; some foreign currency notes and coin in tills; and the banks' own holdings of tax reserve certificates.

Bills discounted

These are normally held until maturity, and ordinarily the maximum maturity is something under three months. They comprise: Treasury bills issued by the United Kingdom government; commercial bills drawn onUnited Kingdom and overseas residents; and Treasury bills of Commonwealth (other than United Kingdom) and foreign governments. That part of medium-term export credits covered by ECGD guarantee which is refinanceable by the Bank of England under Part I of the existing arrangement is excluded from Advances to customers and other accounts and included in Bills discounted.

In May 1969 new arrangements were agreed governing facilities for refinancing medium and long-term export credits, to consolidate the earlier schemes and replace the 1967 shipbuilding scheme. These were modified in October 1970.

The arrangements fall into two parts and a full description of them was published in the *Bank of England Quarterly Bulletin* for September 1969. Any amounts refinanceable under Part I may be classified as liquid assets.

The facility in Part II (which applies exclusively to fixed rate finance and is restricted to the clearing and Scottish banks) was extended in October 1970 to provide the participating banks with the right to refinance not only eligible lending included in their advances in excess of 5 per cent of their gross deposits, but also such lending included in their liquid assets in excess of the same percentage.

Investments

These are given at book value. Investments in affiliated banks and subsidiary companies as shown by the respective balance sheets are not included.

Advances to customers and other accounts

These include both loans and overdrafts, whether secured (by Stock Exchange securities, title-deeds, life assurance policies, etc.) or unsecured, to public bodies, business undertakings and private borrowers.

Seasonally adjusted estimates

These figures are rounded to the nearest £5 million.

Scottish banks

A more detailed version of this table and of the definitions and explanatory notes is published in *Financial Statistics*.

The Scottish banks are the four banks (Bank of Scotland, The British Linen Bank, Clydesdale Bank Ltd., and The Royal Bank of Scotland Ltd.) represented on the Committee of Scottish Bank General Managers. They transact virtually all the commercial banking business in Scotland, where they maintain a clearing system; they also have offices in London and a few in the northern counties of England.

Deposits

Balances on current accounts may be withdrawn or transferred on demand, usually by cheque.

Deposit accounts, comprising deposit receipts and deposit accounts, are not operated upon by cheque but are repayable on demand. Interest is paid on deposit receipts if lodged for at least 30 days and on the minimum monthly balance in deposit accounts.

Notes outstanding

By virtue of the Bank Notes (Scotland) Act, 1845, as amended by the Currency and Bank Notes Act, 1928 and the Coinage Act, 1946, each of the Scottish banks has the right to issue notes. A small part of this issue, approximately £2·7 million for all banks together, is authorised by the governing Acts, the remainder being covered by Bank of England notes, and coin.

Total liquid assets

Liquid assets comprise:

Coin, notes, and balances with the Bank of England

Includes the banks' holdings of each other's notes (but not of a bank's own notes) and Bank of England notes and coin maintained as cover for their note issues in excess of the 'authorised' circulation.

Balances with other banks, etc.

Balances with, and cheques in course of collection on, other banks in the United Kingdom and, before October 1961, the Republic of Ireland.

Money at call and short notice

Money at call, etc. includes all loans to members of the London Discount Market Association for carrying bills of exchange, Treasury bills and other short-term government securities. It also includes loans, for periods not exceeding one month, to other United Kingdom banks, to members of the Stock Exchange, on the security of readily marketable stocks and shares, to bullion brokers, to bill brokers and to similar money market institutions which are not members of the London Discount Market Association; balances in foreign currencies with other banks both in the United Kingdom and overseas; some foreign currency notes and coin in tills; and the banks' own holdings of tax reserve certificates.

Bills discounted

These are normally held until maturity. They comprise: Treasury bills issued by the United Kingdom government; commercial bills drawn on United Kingdom and overseas residents; and Treasury bills of Commonwealth (other than United Kingdom) and foreign governments. They also include certain medium-term export credits covered by ECGD guarantee. (See also paragraph on refinancing facilities under London clearing banks: Bills discounted on preceding page.)

Investments

Investments in affiliated banks and subsidiary companies are not included.

Advances and other accounts

These include both loans and overdrafts whether secured (by Stock Exchange securities, heritable property, life assurance policies, etc.) or unsecured, to public bodies, business undertakings and private borrowers.

Bank clearings and currency circulation

Credit clearing

A credit clearing, similar to the debit clearing (see below), was instituted at the London Bankers' Clearing House in April 1960 to cover, in the first instance, payment by traders' credit (including salary and pension payments effected through the traders' credit machinery) and standing order payments. In October 1960 the scheme was extended to include credits paid in over the counter by customers for transmission to accounts at other banks. In March 1961 a further stage was introduced enabling credits to be paid in at any clearing bank by a member of the public (whether having a banking account or not) for transmission to a banking account anywhere in the United Kingdom; for certain organisations this stage was delayed until October 1961.

The figures exclude credit transfers between offices of the same bank.

Debit clearing

The clearings reported by the London Bankers' Clearing House represent the total of bankers' effects (cheques, drafts, bills, interest warrants, etc.) passed through the clearing houses for collection from the banks. They exclude cheques, bills, etc. drawn on and paid into offices of the same bank.

Prior to January 1968 provincial clearings represented, with certain minor exceptions, cheques, bills, etc., paid into and drawn on selected branches in the following twelve towns:
Birmingham, Bradford, Bristol, Hull, Leeds, Leicester, Liverpool, Manchester, Newcastle-upon-Tyne, Nottingham, Sheffield and Southampton. These provincial clearings, apart from the afternoon clearing at Liverpool, were abolished as from 12 January 1968.

Currency circulation

The series showing the estimated circulation of notes and coin with the public relates to the total note issues of the Bank of England, the Scottish banks and Northern Ireland banks, *plus* the estimated total of United Kingdom silver, cupro-nickel, bronze and nickel-brass coin in circulation (excluding coin in the Bank of England, Issue Department), *less* notes and coin held by the Bank of England, Banking Department; by the Scottish and Northern Ireland banks (as published in the London and Belfast Gazettes) and by the London clearing banks. An allowance is also made for coin which has been lost, destroyed or otherwise wasted.

Analysis of bank advances

This classification of advances, which is based so far as possible on the Standard Industrial Classification, was introduced in an article in the *Bank of England Quarterly Bulletin* for March 1967. Classification is by industry, irrespective of ownership (i.e. private, local authority or government) and where an advance cannot be attributed to any particular activity it is classed according to the most important activity of the borrower—if necessary within the specific residual groups provided within the broad divisions of manufacturing, financial and services. Advances to merchants, brokers, importers and exporters are classed under the relevant distributive trade. The analysis includes advances both in sterling and in foreign currencies. It is intended to cover only loans and overdrafts provided by banks to their customers, and does not include funds placed through the specialised financial markets with other banks (both in the United Kingdom and overseas) or with local authorities or finance houses.

Coverage

Coverage is wider than the membership of the British Bankers' Association, and includes *all banks* operating in the United Kingdom. A detailed list of these banks may be found in *Financial Statistics*.

Figures generally relate to the third Wednesday in the month. Figures for the Northern Ireland banks, which relate to the third Tuesday in each quarter, are only available from February 1968. These figures are comparable with those provided by the other contributors to the table, but are in less detail.

Capital issues and redemptions

The estimates relate to new money raised by issues of ordinary, preference and loan capital (public issues, offers for sale, issues by tender, placings, and issues to shareholders and employees) by quoted public companies and local authorities in the United Kingdom and by overseas public companies and public authorities (including local authorities and international organisations). The estimates include United Kingdom local authority negotiable bonds (of not less than one year) issued to or through the agency of banks, discount houses, issuing houses or brokers. Mortgages, bank advances and any other loans redeemable in less than twelve months are excluded, as also are loans from United Kingdom government funds (including the Industrial Reorganisation Corporation)—but not government subscriptions made *pari passu* with the market to company issues. Issues to shareholders are included only if the sole or principal share register is maintained in the United Kingdom. Estimates of issues are based on the prices at which securities are offered to the market. Subscriptions are recorded under the periods in which they are due to be paid. Redemptions relate to fixed interest securities of the kinds included as issues; conversions are included in the gross figures of both issues and redemptions.

The division between United Kingdom and overseas company borrowers is determined by the location of the registered office. United Kingdom 'local authorities' include, in addition to local governments, such public bodies as water, dock and harbour boards. All international issues (usually issues made on more than one market and through an international syndicate) are now excluded from this table.

A fuller description of the estimates is given in the *Bank of England Quarterly Bulletin*, Volume VI, No. 2 (June 1966).

Discount market

The discount houses included in the table are those institutions belonging to the London Discount Market Association, currently Alexanders Discount Co. Ltd., Allen, Harvey & Ross Ltd., Cater, Ryder & Co. Ltd., Clive Discount Co. Ltd., Gerrard & National Discount Co. Ltd., Gillet Bros. Discount Co. Ltd., Jessel, Toynbee & Co. Ltd., King and Shaxson Ltd., Seccombe, Marshall & Campion Ltd., Smith, St. Aubyn & Co. Ltd. and Union Discount Co. of London Ltd.

British government and government guaranteed securities

These are given at nominal value and are mostly with redemption dates of under five years to the final date of maturity.

Other sterling bills

Mostly commercial bills drawn on banks and firms resident in the United Kingdom and on the London offices of overseas banks. The maximum maturity is not ordinarily longer than six months. Treasury bills of the Northern Ireland government, and bills issued by local authorities are included.

Local authority securities

Including local authority marketable bonds.

Negotiable certificates of deposit

Negotiable dollar certificates of deposit were first issued in May 1966 and sterling certificates of deposits in October 1968. The discount market acts as a secondary market for both types of certificate.

Other assets

Includes balances with Bank of England and United Kingdom banks, advances, investments (other than local authority securities), foreign currency bills and other short-term loans.

Borrowed funds

Very short-term interest-bearing loans, mainly from United Kingdom and overseas banks. Other deposit banks include the Banking Departments of the Co-operative Wholesale Society Ltd. (Co-operative Bank) and the Scottish Co-operative Wholesale Society Ltd. and certain other banks whose business in the United Kingdom is mainly concerned with domestic banking.

Accepting houses, overseas banks and other banks comprise members of the Accepting Houses Committee, the British Overseas and Commonwealth Banks Association, the Foreign Banks and Affiliates Association, the American banks in London, the Japanese banks in London and certain other banks.

Further details of the groups of banks are given in *Financial Statistics*.

Hire purchase and other instalment credit

Instalment credit

The figures relate mainly to hire purchase agreements but include other forms of instalment credit, for example, credit sale agreements and some personal loans repayable by instalments. Sales against credit checks, issued by check-issuing companies and exchanged in shops, are not included. Sales on non-instalment credit terms, such as against monthly charge accounts, are also not included.

Goods covered

Hire purchase and other instalment credit sales of durable goods are nearly all financed by durable goods shops and finance houses.

Durable goods shops (covering sales of furniture, carpets, soft furnishings, radio and television sets, cookers, refrigerators, washing machines and other domestic electrical goods, pedal cycles and perambulators) directly finance most of their instalment credit sales, the balance being directly financed by finance houses. The durable goods shops category corresponds with that distinguished in the statistics of retail trade: sales by department stores are excluded.

The main business of finance houses, however, is the direct financing of nearly all credit sales of motor vehicles and caravans together with a substantial amount of farm, industrial and commercial equipment and other non-household goods.

Debt

Estimates relate to the balance of instalments to be paid. Some of the debt owing directly to shops is discounted with finance houses but this discounted debt is included in the figures for shops. The figures for finance houses comprise only the debt on agreements entered into by them directly with users of goods, and exclude debt on their other financing activities (discounting of retailers' agreements, financing of dealers' stocks, etc.).

New business

Hire purchase and other instalment credit sales of shops are valued at the credit price of the goods (that is,

including deposits and, where the credit is provided by the shop, credit charges). Figures of credit sales relate only to the period during which the transactions took place i.e. cash received from credit sales in previous periods are not included. Figures relate to all the instalment credit sales of shops whether financed by the shops or by finance houses, in contrast to figures of debt to shops which relate only to that part which is directly financed by the shops. Figures of new business of shops therefore duplicate to some extent the figures of new business of finance houses relating to household goods.

New credit extended by finance houses is the credit price of the goods *less* deposits but including charges. As with their figures of debt, figures relate only to agreements entered into by finance houses with users of goods.

Sources of the figures

The value of credit sales by durable goods shops (£303 million) in 1961 was derived from the census of distribution. The index numbers are projections of this figure calculated by means of monthly returns from a sample of durable goods shops comprising showrooms of gas and electricity boards, co-operative societies and a panel of retailers, multiple and independent.

The series on finance house business have been rebased using the results of an enquiry taken in respect of business in the year 1965. The index numbers of new credit extended by finance houses are related to the 1966 averages. On this basis the value of new credit extended by finance houses in 1966 is estimated at £670 million. As in the case of the durable goods shops, the index numbers are projections of figures calculated by means of monthly returns from a sample of finance houses—all the largest and a selection of the smaller ones.

The totals of debt outstanding to retailers are projections of the end-1961 figures, £289 million for durable goods shops, £27 million for department stores, and £107 million for other instalment credit retailers, while for finance houses, the end-1966 figure of £797 million reflects the 1965 finance house inquiry. It is proposed shortly to publish much of the detailed statistics of instalment credit business in the Business Monitor series; the latest summary statistics (in seasonally adjusted terms) will be appearing each month in *Trade and Industry*.

National savings

The terms offered on the main forms of national savings on sale from 1966 onwards, giving the dates from which the changes were operative, are shown below.
Standard rates of tax:

1955/56 to 1958/59	42·5 per cent
1959/60 to 1964/65	38·75 per cent
1965/66 to 1970/71	41·25 per cent
1971/72	38·75 per cent

National savings certificates: Interest is free of income tax, surtax and capital gains tax.

1963 13 May	11th issue, £1 units. Maximum holding £300. Compound interest if held for six years £3 15*s.* 9*d.* per cent per annum equal to £6 3*s.* 8*d.* per cent per annum grossed up annually for income tax at 38·75 per cent.
1964 21 April	Maximum holding £600. Compound interest if held for six years £6 8*s.* 11*d.* per cent per annum grossed up annually for income tax at 41·25 per cent.
1966 28 March	12th issue, £1 units. Maximum holding £500. Compound interest if held for five years £4 11*s.* 3*d.* per cent per annum equal to £7 15*s.* 4*d.* per cent per annum grossed up annually for income tax at 41·25 per cent.
1967 14 April	Maximum holding £750.
1968 22 March	Maximum holding £1,000.
1969 18 April	Maximum holding £1,500
1970 5 October	Decimal issue, £1 units. Maximum holding £500. Compound interest if held for four years £5·73½ per cent per annum equal to £9·36½ per cent per annum grossed up annually for income tax at 38·75 per cent.

National Development bonds: First issued 15 May 1964. Sold for £5 and multiples of £5. Interest, payable half-yearly, is assessable for income tax and surtax; bonuses are free of income tax, surtax, capital gains tax and corporation tax.

1964 15 May	1st issue 5 per cent. Maximum holding £2,500. Bonus £2 per cent if held for five years. Equivalent to a £5 12*s.* 1*d.* per cent per annum grossed up annual net redemption yield assuming standard rate of income tax at 38·75 per cent, or £5 12*s.* 8*d.* grossed up annual net redemption yield assuming standard rate of income tax at 41·25 per cent.
1965 15 September	2nd Issue 5 per cent. Maximum holding £2,500.
1966 11 July	1st issue 5½ per cent. Maximum holding £2,500. Bonus £2 per cent if held for five years. Equivalent to £6 2*s.* 7*d.* per cent per annum grossed up annual net redemption yield assuming standard rate of income tax at 41·25 per cent.
1968 30 March	Sales ceased.

British savings bonds: First issued 1 April 1968. Sold for £5 and multiples of £5. Interest payable half-yearly, is assessable for income tax and surtax; bonuses are free of income tax, surtax, capital gains tax and corporation tax.

1968 1 April	1st issue 6 per cent. Maximum holding £10,000. Bonus £2 per cent if held for five years. Equivalent to £6 12*s* 7*d.* per cent per annum grossed up annual net redemption yield assuming standard rate of income tax at 41·25 per cent.
1969 28 April	1st issue 7 per cent. Maximum holding £10,000. Bonus £2 per cent if held for five years. Equivalent to £7·60 per cent per annum grossed up annual net redemption yield assuming standard rate of income tax at 38·75 per cent.

The net redemption yield is obtained by adding to the rate of interest (*less* income tax at standard rate) the tax-free bonus discounted over the life of the bond.

Save As You Earn scheme: Parallel schemes which commenced 1 October 1969 are operated by the Department for National Savings and the Trustee Savings

Banks. Fixed monthly amounts of £1 to £10 are contracted for 5 years. In the case of contractors with one or more contracts registered with the Department for National Savings and/or Trustee Savings Banks, the £10 maximum is applicable to the total aggregate of each month's subscriptions on all contracts. Terms as follows: (a) 5 year bonus equal to 1 year's savings at a nominal annual rate of £6·99½ per cent (grossed-up equal to £11·42 per cent at 38·75 per cent in the £) compounded monthly. Alternatively, for savings left invested a further 2 years: (b) 7 year bonus equal to 2 years savings, at nominal annual rate £7·31 per cent (grossed-up equal to £11·93½ per cent at 38·75 per cent in £) compounded monthly for 5 years and annually for 2 years: (c) No interest paid for savings withdrawn in first year of contracts' registration: (d) 2½ per cent per annum is paid on savings withdrawn after first but before the end of the fifth year (but see (f)): (e) 4½ per cent per annum is paid on savings left for remainder of full 5 years after payments have been discounted and contracts lapse: (f) 4½ per cent per annum is paid on sums subscribed over a complete year by a deceased contractor. Terms (a) to (f) are paid free of income tax, surtax and capital gains tax.

Premium savings bonds: First issued 1 November 1956. Prizes are free of income tax, surtax and capital gains tax.

1960 1 August	Maximum holding £800. Interest at 4½ per cent per annum free of tax (equivalent to £7 6*s.* 11*d.* per cent per annum grossed up annually for income tax at 38·75 per cent. Bonds eligible for draw after three months. Prizes range from £25 to £5,000.
1964 21 April	Maximum holding £1,000. Interest at 4½ per cent per annum free of tax (equivalent to £7 6*s.* 11*d.* per cent per annum grossed up annually for income tax at 38·75 per cent or £7 13*s.* 2*d.* per cent per annum grossed up annually for income tax at 41·25 per cent).
1966 1 February	A prize of £25,000 in February, May, August and November each year in addition to monthly prizes.
1967 14 April	Maximum holding £1,250.
1968 1 September	Interest at 4⅝ per cent per annum free of tax (equivalent to £7·55 per cent per annum grossed up annually for income tax at 38·75 per cent). A prize of £25,000 awarded weekly in addition to monthly prizes.

Deposits with National Savings Bank and trustee savings banks (ordinary department):

1956 6 July	Interest 2½ per cent per annum; up to £15 per annum free of income tax but not surtax. Interest on first £600 equivalent to £4 1*s.* 8*d.* per cent per annum grossed up annually for income tax at 38·75 per cent or £4 5*s.* 1*d.* per cent per annum grossed up annually for income tax at 41·25 per cent.
1960 2 May	Maximum deposit £5,000 on individual holdings.
1969 1 July	Maximum deposit £10,000 on individual holdings.
1969 21 November	Interest rate raised to 3½ per cent on TSB accounts.
1970 1 January	Interest rate raised to 3½ per cent on NSB accounts.

Deposits with National Savings Bank Investment Account:

1966 20 June	Interest 5½ per cent per annum. Maximum deposit £5,000.
1968 1 January	Interest 6 per cent per annum.
1968 1 October	Interest 6½ per cent per annum.
1969 1 July	Maximum deposit £10,000.
1969 1 October	Interest 7 per cent per annum.
1970 1 July	Interest 7½ per cent per annum.

Deposits with trustee savings banks (special investment departments): Rates of interest vary from bank to bank.

1960 1 August	Maximum deposit £3,000.
1966 24 June	Maximum deposit £5,000.
1969 1 July	Maximum deposit £10,000.

There is a slight amount of double counting in the series as purchases of defence bonds and national development bonds by the trustee savings banks special investment departments are also included in the sale of bonds.

The series does not include issues of national savings stamps and gift tokens. For earlier changes affecting national savings see Notes and Definitions supplement to *Financial Statistics*.

Prices and yields of industrial securities

Figures are taken from the F.T.—Actuaries share indices which are published daily in the *Financial Times*. Details of the constituents and computation of the indices are given in the booklet *Guide to the F.T.—Actuaries Share Indices* (St. Clements Press Limited). The prices taken are middle market prices at close of business, adjusted for accrued interest gross in the case of debentures and preference shares. Until 26 July 1968 the adjustment was accrued interest *less* income tax at the standard rate. The base date is 10 April 1962 (the starting date of the short-term capital gains tax). Monthly and annual figures are arithmetic averages of those for working days.

Debentures: The index is calculated from the price changes since the base date of fifteen medium-term redeemable stocks with an average term to maturity of about twenty years. The stocks are divided into three groups according to redemption date and the price factors for the three groups are combined in a weighted average to provide a price index appropriate to a stock of exactly twenty years duration. The weights for the various groups change daily.

Preference shares: There are 20 component stocks and the price index is $\frac{1}{20}^{th}$ of the sum of the percentage changes in prices of these stocks. Yields are the arithmetic averages of those calculated on each stock.

Ordinary shares: The index is a weighted arithmetic average of the percentage price changes of 500 industrial ordinary shares; weights for each constituent are the total market values of the shares issued at the base date but are modified to maintain continuity when capital changes occur, e.g. rights issues, or when constituents change, e.g. when companies disappear owing to take-overs or new companies become large enough to qualify for the indices.

Dividend yields: These are the totals of the last year's dividends, up to the most recently declared, payable on the capital of constituents expressed as percentages of total market valuation.

Bank Rate

The minimum rate at which members of the discount market may discount British government Treasury bills or approved bills of exchange at the Bank of England.

The Bank of England also make advances to the discount market, against the security of such bills or of British government securities with five years or less to final maturity, usually at market rates or at Bank rate.

Bank rate for the period 1932 to end-1959 was as follows:

From 1932	30 June	2%
1939	24 August	4%
	28 September	3%
	26 October	2%
1951	8 November	2½%
1952	12 March	4%
1953	17 September	3½%
1954	13 May	3%
1955	27 January	3½%
	24 February	4½%
1956	16 February	5½%
1957	7 February	5%
	19 September	7%
1958	20 March	6%
	22 May	5½%
	19 June	5%
	14 August	4½%
	20 November	4%
1959	No change	

XVII. EARNINGS, WAGES AND PRICES

Average weekly earnings and hours worked in manufacturing and certain other industries

The industries covered are those for which separate figures are given, together with mining and quarrying (except coal mining), leather, leather goods and fur, certain miscellaneous services and public administration. The figures are based on returns from employers showing, for a particular week in the month indicated, the number of manual workers actually at work, their aggregate earnings and the total number of man-hours worked. The returns received cover some six million workers, but in calculating the general averages and those for each of the groups of industries shown separately the averages for the individual industries have been 'weighted' on the basis of the total number of manual workers employed in each industry.

Percentage changes in average earnings represent the combined effect of a number of factors, including (*a*) increases in rates of wages; (*b*) changes in the number of hours actually worked and in the proportion of hours paid for at overtime, week-end and night-shift, etc., rates; (*c*) extensions of systems of payment by results in some industries, and increased output by the workers affected and changes in the relative numbers of workers employed in different industries.

Comparable figures for other important industries are not available, but information on the earnings of agricultural workers and coal miners and of workers employed by British Rail and London Transport is given from time to time in the *Department of Employment Gazette*, previously the *Ministry of Labour Gazette*. The effect of including these industries in the table of average earnings is shown in the *Employment and Productivity Gazette*, April 1969 and a time-series (April each year) is regularly published in the *Annual Abstract of Statistics*. Details of average weekly earnings of men by standard regions are given in the *Employment and Productivity Gazette*, February 1970.

Index of average earnings of all employees (monthly enquiry)

The index of average earnings is compiled from information supplied by employers about their total wages and salaries bill. The index measures the change from month to month in the average earnings in industry groups, in manufacturing as a whole and in all industries and services covered (combined). This last index is also given in deseasonalised form.

The index was introduced in January 1963 but was revised in January 1967. A full account of this revision was given in an article on page 214 of the March 1967

issue of the *Ministry of Labour Gazette*. A further revision was effected in January 1970 to conform with the Standard Industrial Classification (revised 1968). The industries covered are shown in the published table, the footnotes to which also amplify these notes.

Index of basic weekly rates of wage

The index of *weekly* rates of wages measures the average movement from month to month in the level of full-time basic weekly rates of wages in the principal industries and services in the United Kingdom compared with the level at 31 January 1956 taken as 100. The index is based on a selection of the recognised minimum rates of wages or minimum entitlements fixed by voluntary collective agreements between organisations of employers and workpeople, arbitration awards or Wages Regulation Orders, for manual workers (including shop assistants but excluding clerical, technical and administrative workers) in 80 industries and services. Where there is an appreciable amount of piece-work, the movements in piece rates of wages are taken into account as well as movements in time rates. From this material estimates are made of the percentage movement in each industry in the wage rates for men, women and juveniles, respectively, and for all classes of workers combined. The percentage increases in the various industries are then combined in accordance with the relative importance of the industries, as measured by their total wages bills in 1955.

Indices are computed for all industries and services taken together and for a sub-group comprising manufacturing industries only and for 18 industry groups. If comparisons are made between one group and another it should be remembered that the indices for a particular group may have been affected by the incidence of changes in rates of wages in the months immediately prior to the base date (31 January 1956) and that having regard to the considerable variation in the provisions of collective agreements and statutory wages regulation orders there is no common pattern for the calculations of the indices for individual industries. Juveniles, in general, comprise males under 21 and females under 18 years of age.

The index does not reflect changes in earnings due to changes in such factors as the numbers of workpeople employed in different industries, in the relative proportions of workers in different age and sex groups, or engaged in different occupations and wage grades, or paid at time or piece rates. Neither does it reflect changes in the amount of overtime, short-time or absenteeism or changes in the earnings of piece-workers and other payment-by-results workers due to variations in output or the introduction of new machinery, etc.

The representative industries and services for which changes in rates of wages are taken into account in the index and fuller details of the method of calculation were described on pages 50 and 51 of the issue of the *Ministry of Labour Gazette* for February 1957.

Index of normal weekly hours

The index of normal weekly hours measures, for the same representative industries and services, the average movement from month to month in the level of normal weekly hours of work compared with the level at 31 January 1956 taken as 100. The normal weekly hours used in the calculation of the index are those in respect of which all rates used in the calculation of the index of weekly rates of wages are payable and hours for the separate industries are then combined in accordance with their relative importance, as measured by the numbers employed at the base date.

The index does not reflect changes in *actual* hours worked, which are affected by changes in the amount of overtime, short-time and absences for other reasons.

The method of calculation was described in more detail on pages 330 and 331 of the issue of the *Ministry of Labour Gazette* for September 1957.

Index of basic hourly rates of wages

The index of basic *weekly* rates of wages does not show any movement when normal weekly hours of work are altered without any corresponding change in *weekly* rates of wages. The series for basic hourly rates of wages is obtained by dividing the monthly figures for the index of basic *weekly* rates of wages by the corresponding figures for the index of normal weekly hours.

General

Weighting structures

The following table gives details of the weights allocated to the various industry groups under the 1948 Standard Industrial Classification for the index of basic *weekly* rates of wages and the index of normal weekly hours.

Standard Industrial Classification (1948)		*Weights*	
Order Number	*Industry group*	*Index of weekly wage rates*	*Index of normal weekly hours*
I	Agriculture, forestry, fishing ..	399	524
II	Mining and quarrying ..	758	536
III	Treatment of non-metalliferous mining products other than coal	224	207
IV	Chemicals and allied trades ..	258	241
V to IX	Metal manufacture; engineering, shipbuilding and electrical goods; vehicles; metal goods not elsewhere specified; precision instruments, jewellery, etc.	2,881	2,493
X	Textiles	487	589
XI	Leather, leather goods and fur	38	44
XII	Clothing..	261	376
XIII	Food, drink and tobacco ..	425	485
XIV	Manufactures of wood and cork	184	178
XV	Paper and printing	307	290
XVI	Other manufacturing industries	149	148
XVII	Building and contracting ..	979	864
XVIII	Gas, electricity and water ..	205	186
XIX	Transport and communication	951	869
XX	Distributive trades	783	1,006
XXII	Public administration	294	347
XXIII	Professional services	98	124
XXIV	Miscellaneous services.. ..	319	493
Total	All industries and services ..	10,000	10,000
III-XVI	Manufacturing industries only	5,214	5,051

In January 1959 these weights were regrouped to conform with the Standard Industrial Classification (revised 1958) as follows:

Standard Industrial Classification (1958)		*Weights*	
Order Number	*Industry group*	*Index of weekly wage rates*	*Index of normal weekly hours*
I	Agriculture, forestry, fishing ..	399	524
II	Mining and quarrying	758	536
III	Food, drink and tobacco ..	425	485
IV	Chemicals and allied industries	258	241
V to IX	Metal manufacture; engineering and electrical goods; shipbuilding and marine engineering; vehicles; metal goods not elsewhere specified	2,733	2,332

Standard Industrial Classification (1958)		Weights: Index of weekly wage rates	Weights: Index of normal weekly hours
Order Number	Industry group		
X	Textiles	487	589
XI	Leather, leather goods and fur	38	44
XII	Clothing and footwear	237	341
XIII	Bricks, pottery, glass, cement, etc.	224	207
XIV	Timber, furniture, etc.	184	178
XV	Paper, printing and publishing	307	290
XVI	Other manufacturing industries	155	153
XVII	Construction	979	864
XVIII	Gas, electricity and water	205	186
XIX	Transport and communication	951	869
XX	Distributive trades	798	1,030
XXII	Professional and scientific services	98	124
XXIII	Miscellaneous services	471	660
XXIV	Public administration and defence	294	347
Total*	All industries and services	10,000	10,000
III-XVI	Manufacturing industries only	5,047	4,860

From January 1969 the weights were again regrouped to conform with Standard Industrial Classification (revised 1968) and are now as follows:

Standard Industrial Classification (1968)		Weights: Index of weekly wage rates	Weights: Index of normal weekly hours
Order Number	Industry group		
I	Agriculture, forestry, fishing	399	524
II	Mining and quarrying	758	536
III	Food, drink and tobacco	435	494
IV and V	Chemicals and allied industries and coal and petroleum products	249	233
VI to XII	Metal manufacture; mechanical, instrument and electrical engineering; shipbuilding and marine engineering; vehicles; metal goods not elsewhere specified	2,733	2,332
XIII	Textiles	487	589
XIV	Leather, leather goods and fur	38	44
XV	Clothing and footwear	237	341
XVI	Bricks, pottery, glass, cement, etc.	224	207
XVII	Timber, furniture, etc.	184	178
XVIII	Paper, printing and publishing	307	290
XIX	Other manufacturing industries	155	153
XX	Construction	979	864
XXI	Gas, electricity and water	205	186
XXII	Transport and communication	951	869
XXIII	Distributive trades	798	1,030
XXV	Professional and scientific services	98	124
XXVI	Miscellaneous services	471	660
XXVII	Public administration and defence	294	347
Total*	All industries and services	10,000	10,000
III to XIX	Manufacturing industries only	5,047	4,860

* The figures do not add up to the total owing to rounding.

Linking with earlier series

The figures for the indices of basic *weekly* rates of wages, normal weekly hours and basic *hourly* rates of wages may be linked with those of the previous series (30 June 1947 = 100) to give a measure, on a broad basis, of the movement in basic *weekly* rates of wages, normal weekly hours and basic *hourly* rates of wages respectively since June 1947. For this purpose the appropriate figure should be multiplied by one of the following factors:

	All workers	Men	Women	Juveniles
Basic weekly rates of wages				
All industries and services	1·561	1·545	1·598	1·687
Manufacturing industries only	1·545	1·517	1·631	1·708
Normal weekly hours				
All industries and services	0·980	0·980	0·980	0·981
Manufacturing industries only	0·985	0·986	0·984	0·986
Basic hourly rates of wages				
All industries and services	1·593	1·577	1·631	1·719
Manufacturing industries only	1·568	1·539	1·657	1·732

The publication of the index figures to one decimal place must not be taken to mean that these figures are thought to be significant to more than the nearest whole number. Where necessary figures for any particular month are revised to include changes arranged with retrospective effect or reported too late for inclusion.

Import and export unit value index numbers

These index numbers are intended as guides to changes in the prices of imports and exports. They are not called price indices however, because they are calculated using 'unit values' for each of a selection of commodities in the *Overseas Trade Statistics* instead of true price quotations. The unit values are obtained by dividing the value of trade recorded in the month for each heading by the corresponding quantity (numbers, tons, yards, etc). As far as possible only those headings which cover a sufficiently homogeneous group of commodities for their unit values to move in much the same way as true prices are used in the calculation. About 350 items are used in the index for imports and 550 in that for exports; the headings are chosen to give as wide and representative a coverage as possible. The indices are constructed by combining the unit values with the quantities recorded in the base year as weights.

A fuller explanation of the methods used to compute these series was given in *Economic Trends*, September 1963.

Time charter rates

The index number is based on time charter tramp fixtures (the agreements between the owners' and charterers' agents), reported in the daily shipping press during each quarter. The fixtures recorded are for most dry cargo motor ships of over 9,000 dwt on round voyages or period charters up to two years.

Full details of the construction of the index and the method of calculation are set out in a booklet *Time Charter Index Numbers (1968 = 100)* available on request from the Chamber of Shipping of the United Kingdom.

Index numbers of retail prices

The Interim Index of Retail Prices, which was started from 17 June 1947, measured the percentage changes month by month in the average level of prices of those goods and services which entered into the personal expenditure of working-class families in the United Kingdom.

From June 1947 until January 1952 the weights used for combining the price changes of the numerous different groups of items were based on the distribution of expenditure shown in working-class family budgets collected by the Ministry of Labour in 1937–38, adjusted for the broad changes in prices between that date and mid-June 1947. The index was divided into eight main groups, for which the weights were as follows:

I Food	348
II Rent and rates	88
III Clothing	97
IV Fuel and light	65
V Household durable goods	71
VI Miscellaneous goods	35
VII Services	79
VIII Drink and tobacco	217
	1,000

The indices from 12 February 1952 onwards were calculated with prices at 15 January 1952 taken as 100. The weights used for combining the indices for the various groups of items were proportional to the estimated consumption by working-class families in the year 1950, valued at the prices ruling in January 1952. The index was divided into nine main groups for which the weights were as follows:

I Food	399
II Rent and rates	72
III Clothing	98
IV Fuel and light	66
V Household durable goods	62
VI Miscellaneous goods	44
VII Services	91
VIII Alcoholic drink	78
IX Tobacco	90
	1,000

The monthly index for 'All items' with 15 January 1952 = 100 was linked to the index for January 1952 in the original series so as to provide a continuous series of indices for 'All items' with 17 June 1947 = 100.

The Interim Index of Retail Prices was replaced as from 14 February 1956 by the Index of Retail Prices which was calculated with prices at 17 January 1956 taken as 100 until the end of 1962. From January 1963 onwards the index has been calculated with prices at 16 January 1962 taken as 100. This index measures the percentage changes month by month in the average level of prices of the commodities and services purchased by the great majority of households in the United Kingdom, including practically all wage earners and most small and medium salary earners. The weights used from February 1956 to January 1962 for combining the indices for the various groups of items were based on information provided by a large-scale Household Expenditure Enquiry made in 1953–54, adjusted to correspond with the levels of prices ruling in January 1956. From February 1962 to January 1963 the weights used were derived from the Family Expenditure Surveys for the three years July 1958 to June 1961, adjusted to correspond with the levels of prices ruling in January 1962. From 1963 onwards weights have been revised in February each year on the basis of information derived from the continuing Family Expenditure Survey for the three years ended in the previous June, adjusted to correspond with the levels of prices ruling in January of each year.

The index is divided into eleven main groups for which the weights in the periods February 1956 to January 1962, February 1962 to January 1963, February 1963 to January 1964, February 1964 to January 1965, February 1965 to January 1966, February 1966 to January 1967, February 1967 to January 1968, February 1968 to January 1969, February 1969 to January 1970 and February 1970 to January 1971 were as follows:

	Feb. 1956 to Jan. 1962	*Feb. 1962 to Jan. 1963*	*Feb. 1963 to Jan. 1964*	*Feb. 1964 to Jan. 1965*	*Feb. 1965 to Jan. 1966*	*Feb. 1966 to Jan. 1967*	*Feb. 1967 to Jan. 1968*	*Feb. 1968 to Jan. 1969*	*Feb. 1969 to Jan. 1970*	*Feb. 1970 to Jan. 1971*
I Food	350	319	319	314	311	298	293	263	254	255
II Alcoholic drink	71	64	63	63	65	67	67	63	64	66
III Tobacco	80	79	77	74	76	77	72	66	68	64
IV Housing	87	102	104	107	109	113	118	121	118	119
V Fuel and light	55	62	63	66	65	64	62	62	61	61
VI Durable household goods	66	64	64	62	59	57	59	59	60	60
VII Clothing and footwear	106	98	98	95	92	91	92	89	86	86
VIII Transport and vehicles	68	92	93	100	105	116	118	120	124	126
IX Miscellaneous goods	59	64	63	63	63	61	61	60	66	65
X Services	58	56	56	56	55	56	58	56	57	55
XI Meals bought and consumed outside the home	—	—	—	—	—	—	—	41	42	43
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

Since its inception in 1947, the retail prices index has been calculated monthly, in respect of a Tuesday near to the middle of each month.

Expenditure covered by the index does not include income tax payments, national insurance contributions, life insurance premiums and payments to pension funds, premiums for household insurance (other than insurance of the building), subscriptions to trade unions, friendly societies, hospital funds, church collections, etc., cash gifts, 'pools' and other betting payments, doctors', dentists', etc. fees, and capital sums or mortgage payments for house purchase or major structural alterations.

For expenditure coming within the scope of the index, a representative list of items was selected and the prices of these items are collected at regular intervals. Quotations are obtained from retail shops typical of those from which the majority of households commonly make their purchases in a large number of urban and rural centres throughout the United Kingdom. The prices used are the prices actually charged. So far as possible they relate to goods of unchanged quality at successive dates; when the quality changes, an appropriate adjustment is made to the price index.

A complete account of the method used for computing the index is given in *Method of Construction and Calculation of the Index of Retail Prices* (No. 6 in the series Studies in Official Statistics), published for the Department of Employment by Her Majesty's Stationery Office. Reference may also be made to reports of the Cost of Living Advisory Committee (Cmd.7077, Cmd.8328, Cmd.8481, Cmd.9710, Cmnd.1657 and Cmnd.3677), to the *Report of an Enquiry into Household Expenditure in 1953–54* and *Reports on the Family Expenditure Surveys for 1957–59, 1960 and 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968 and 1969* published by Her Majesty's Stationery Office.

Family expenditure survey

The notes below relate to the tables in the *Abstract of Regional Statistics*. The survey covers all types of private households in the United Kingdom. It is a continuing enquiry in which a sample of nearly 11,000 addresses is selected annually. An effective sample of some 10,400 households is obtained, of which about 70 per cent co-operate. Results of the survey will be found in annual *Family Expenditure Survey Reports* (HMSO), together with a full list of definitions and items on which information is collected.

The annual reports include a brief account of the sampling and field work procedure and a full description is provided by the technical handbook, *Family Expenditure Survey: Handbook on the Sample, Fieldwork and Coding Procedures* (*HMSO*).

Changes made in definitions from year to year affect annual comparisons. Several such changes were made for the 1968 survey. Their effect is described in the report for that year. A summary of the main definitions in current use is given in the following paragraphs.

Household

The household is defined as including all those who live at the same address and who are catered for by the same person. The members of a household thus defined are not necessarily related by blood or marriage. Resident domestic servants are included. As the survey covers only private households, people living in hostels, hotels, boarding houses or institutions are excluded. No attempt is made to obtain records from households containing members of the diplomatic service of another country or of the United States armed forces.

Household income

Household income is the aggregate of the gross incomes of the individual members of the household before deduction of income tax, national insurance contributions and any other deductions at source. Income as thus defined excludes money received by one member from another member of the household, proceeds from the sale of cars, furniture or other capital assets, and receipts from legacies, maturing insurance policies and windfalls. With the exceptions of luncheon vouchers and an imputed amount for rent-free accommodation, income in kind is also excluded.

Expenditure

Expenditure is taken as representing current expenditure on goods and services. It excludes savings or investments (e.g. purchase of national savings certificates or shares; life insurance premiums; contributions to pension funds). Income tax payments and national insurance contributions, and mortgage and other payments for purchase of or major additions to dwellings are also excluded. Special procedures are applied to purchases under hire purchase and other credit arrangements.

Housing expenditure

Housing of households living in unfurnished or furnished rented dwellings consists of the payments by such households for rent, rates, water and any insurance of the structure, *less* receipts (if any) from sub-letting. For households living in rent-free accommodation housing expenditure is estimated in the same way as for rented dwellings except that a notional amount of rent based on the rateable value of the accommodation is included. Expenditure of households living in their own dwellings consists of the payments by these households for rates, water, ground rent and insurance of the structure together with the weekly equivalent of the rateable value of the dwelling *less* receipts (if any) from letting.

Worker

This is a person who is gainfully employed as an employee or is an employer or is self-employed.

Index numbers of wholesale prices

The index numbers are calculated from the price movements of some 11,000 closely defined materials and products representative of goods purchased and manufactured by United Kingdom industry. The index for an individual commodity is its current home market price expressed as a percentage of its annual average home market price in 1963.

Commodity price index numbers are combined into index numbers for groups of commodities and for materials purchased by and output of broad sectors of industry; industries are defined according to the 1968 Standard Industrial Classification. In building up the index numbers, price movements are combined in proportion to the value of net purchases or net sales in 1963. The use of 'net' weights means that the price movements used to compile the index number for a particular sector of industry are only those which relate to transactions between that sector and other sectors. Transactions between undertakings in the same sector are excluded. Index numbers for manufacturing industry as a whole similarly exclude transactions between sectors of industry. The weights used have been derived from the Census of Production supplemented by short-term statistics of production, *Overseas Trade Statistics*, information supplied by trade associations and various other sources.

The index numbers of materials purchased by industry include imported materials. For output prices, very few

indicators of export prices are available and in their absence export unit values have been used (in combination with home prices) to construct the index for 'all manufactured products—total sales'. The other output price series relate to prices charged on the home market. As far as possible 'delivered' prices are used in compiling the index numbers of materials purchased; 'ex-works' prices are used in compiling the index numbers of output prices, unless it is the custom of a trade to quote delivered prices. The prices collected are those that are quoted for current orders placed.

The series of wholesale price index numbers based on 1963 was introduced in February 1969; previously the index numbers were based on 1954. An article in the *Board of Trade Journal* for 21 February 1969 describes the 1963-based series in more detail and explains the differences between it and the 1954-based series.

Index numbers of the cost of new construction

The index relates to changes in the cost of new building and civil engineering works in Great Britain, excluding repairs and maintenance. It incorporates changes in the cost of materials, the cost of labour and of overheads and profits. It is designed to indicate general trends in the cost of new construction work, and not changes in cost in any particular part of the country of any specific type of building or of civil engineering work.

Index numbers of the average price of new dwellings for private owners

The index has been compiled from information provided by a number of building societies, including most of the larger societies, whose combined assets represent about 75 per cent of the total assets of the movement in Great Britain. Each society completes a return every quarter showing the number and the total purchase price of new houses (including the cost of the land and professional fees) on which the society made advances to private owners. The types, sizes, location and nature of title of dwellings may vary from quarter to quarter. The index gives an indication of the changes in the price of new houses but not changes in the cost of building.

Index numbers of agricultural prices

The index numbers of agricultural prices in the United Kingdom (1964/65–1966/67 = 100) supersede the series (1954/55–1956/57 = 100) which were discontinued from June 1969, i.e. at the end of the 1968/69 harvest year. The new series of indices cover all the main agricultural products and also the main groups of materials currently consumed by agriculture. The purpose, background, scope and construction of the index was described in *Economic Trends*, February 1962. There are no fundamental changes, but in the rebased series account has been taken of developments in the agricultural industry. For details of sources and methods used see *Agricultural Statistics 1966/67, United Kingdom.*

Price indices for products

An index number for each main product sold off the national farm (i.e. all agricultural holdings regarded collectively as one farm) is calculated by comparing the current price with the simple average of three annual prices covering the three harvest years 1964/65–1966/67. Prices are measured at the first practicable point after the farm gate, e.g. open markets or point of purchase by a marketing board. Product indices are combined into group indices on an annual basis by the use of weights proportional to the value of sales off the national farm in the base period; both weights and prices are on a gross-price basis, i.e. they include any Exchequer payments relating to sales of products. For types of cereals, guaranteed classes of fatstock and field beans a second index is calculated in each case based on market prices; that is to say, the current market price (exclusive of deficiency payments, guarantee payments and, from July 1968, payments under the Field Beans Grants Scheme) is compared with the average market price in the base period. Annual average prices for products are normally weighted averages of twelve monthly prices.

Price indices for materials

Index numbers for the main kinds of currently-consumed materials are calculated by methods similar to those used for products, prices being measured at the nearest practicable point before the farm gate, i.e. on a 'delivered' basis if possible. Group indices are calculated from indices for separate materials using base-period values as weights, but no all-materials index is calculated. For subsidised materials (fertilizers and lime) the series shown in the *Monthly Digest* and the *Annual Abstract* are on a net-price basis; that is to say, current prices, base prices and value-weights relate to the final cost of these materials to the farmer (i.e. market price *less* subsidy rebates). Annual average prices for materials are in some cases simple averages of twelve monthly prices and in other cases averages weighted according to fixed month-to-month volume weights reflecting the normal pattern of monthly purchases of the commodity. (The index for labour is based on the cost per hour of hired men in Great Britain.)

Agricultural producer returns

The table of agricultural producer returns, included in the *Annual Abstract of Statistics*, consists of weighted annual averages showing what producers as a whole have received from the sale of certain products during the marketing year. They are similar to, but not always identical with, the gross prices used for calculating index numbers of agricultural prices.

For cereals, Cereals Deficiency Payments Scheme records are the main source used. The series for wheat is obtained by weighting the average market prices and deficiency payments *less* the Home Grown Cereals Authority levy in each accounting period during the marketing year by the quantities of wheat qualifying for deficiency payment. An annual press notice (e.g. MAFF 4/9/69 No. 369) gives this information for wheat and also an average market price for barley and the total value of deficiency payments for barley. In calculating producer returns for barley, the average price as calculated for the Cereals Deficiency Payments Scheme is used together with the basic deficiency payment per hundredweight adjusted for the barley incentive scheme. Full details of the Cereals Deficiency Payments Scheme are available in the current official booklet (i.e. 1967 edition as amended by subsequent yearly harvest supplements).

For potatoes, the annual prices for 1959/60 onwards are as published in annual press notices (e.g. MAFF 15/11/68 No. 541). For sugar beet, prices are as calculated by the British Sugar Corporation Ltd. and include adjustments for early and late delivery. The prices for hops cover the crops consigned to the Hops Marketing Board.

Fatstock figures are taken from Fatstock Guarantee Scheme records; details of the scheme are available in the annual official booklet.

The milk series consists of weighted average pool prices for England and Wales, inclusive of quality and special service premia, based on information from the Milk Marketing Board; figures for years earlier than 1957/58 are available in the 1960/61 issue (page 160) of *Agricultural Statistics, England and Wales*. Egg prices for 1958/59 onwards are as shown in the British Egg Marketing Board's annual reports. Wool prices are from the annual reports of the British Wool Marketing Board.

XVIII. ENTERTAINMENT

Broadcast receiving licences current

These figures are compiled by the Post Office and represent the total number of annual licences in force at the end of the period. They include about 60,473 licences issued free or at a reduced fee to the blind. Television licenses cover the reception of sound broadcasts also.

Cinema statistics

Figures until June 1959 were based on quarterly returns from virtually all cinemas in Great Britain. From July 1959 until March 1967 figures were estimates, based on information relating to a sample of cinemas. From April 1967 figures are based on four-weekly returns submitted regularly to HM Customs and Excise by cinemas responsible for approximately 95 per cent of total takings with an estimate for the remainder of the cinemas, which are exempt from four-weekly returns based on an annual Board of Trade enquiry.

Gramophone records

Both production and sales relate to manufacturers' output.

XIX. WEATHER

Air temperature

The averages of air temperature for the period 1931–60, which were introduced in January 1963, were obtained by applying corrections to the averages for the period 1921–50, based on the comparison of the averages for 50 representative stations. The 1921–50 averages were computed in the same way by applying appropriate corrections to the averages for the period 1901–30. The averages for 1901–30 were obtained by taking the means of the average temperatures at 100 stations selected to give as uniform a distribution as possible, the average temperatures at each station having first been reduced to sea-level by the addition of 1° Fahrenheit for each 300 feet above sea-level.

The monthly and annual values of mean daily air temperature at sea-level for individual years are estimates obtained by calculating the means of the differences from the long-period averages at about 30 stations in England and Wales, 15 in Scotland and 5 in Northern Ireland and adding these mean differences algebraically to the 1931–60 averages for the territories concerned.

Rainfall

The annual areal averages of rainfall for the period 1916–50 are based on planimeter measurements of detailed annual maps of rainfall using values from some 6,000 stations. To obtain the monthly areal values for this period, maps of monthly average rainfall, expressed as a percentage of the annual average, are used first to estimate the monthly areal percentage proportions of rainfall and then to apportion the average annual rainfall.

The values for individual years are estimates obtained by calculating the means of the percentages of the averages for nearly 600 well-distributed stations, and applying these mean percentage values to the averages in millimetres for the respective territories. The procedure is carried out each month, and independently for the total rainfall for the year; the separate monthly values are subsequently amended so that the sums agree with the corresponding annual totals.

Sunshine

The averages of bright sunshine for the period 1931–60, which were introduced in January 1963, were obtained by a comparison, based on about 50 representative stations, with the averages of the period 1921–50. The averages for the period 1921–50 were similarly derived from those for the period 1906–35. The averages for the period 1906–35 were based on the maps of monthly sunshine published in the *Monthly Weather Report*, having been derived from the values taken at 40 uniformly distributed points.

The mean daily amount of sunshine for individual years are estimates obtained by calculating the means of the percentages of the average for about 30 stations in England and Wales, 15 in Scotland and 5 in Northern Ireland, and applying these mean percentage values to the 1931–60 averages in hours per day for the respective territories.

Further details on weather statistics and particulars of longer series of values may be obtained from the Director-General, Meteorological Office, Met.O3 London Road, Bracknell, Berkshire RG12 2SZ.

Conversion factors

Temperature

To convert degrees Centigrade into degrees Fahrenheit: multiply by 9, divide by 5, and add 32.

degrees Fahrenheit into degrees Centigrade: subtract 32, multiply by 5, and divide by 9.

Rainfall

1 millimetre = 0·0394 inches
1 inch = 25·4 millimetres

APPENDIX

STANDARD REGIONS FOR STATISTICAL PURPOSES

The list below gives broad definitions of the standard regions for statistical purposes; these regions coincide with those used for economic planning.

For more detailed descriptions of the standard regions, reference should be made to the *Abstract of Regional Statistics No. 6, 1970* (HMSO, £1·25) Appendixes I and II. Appendix I gives the constitution of the seven conurbations by local authorities. Appendix II defines the sub-divisions of the standard regions of England and Wales and the planning regions of Scotland in terms both of local authorities (administrative areas in Scotland) and employment exchanges. Development areas are also indicated.

North

Cumberland, Durham, Northumberland, Westmorland and the North Riding of Yorkshire.

Yorkshire and Humberside

The East and West Ridings of Yorkshire (including City of York) and Lincolnshire (Parts of Lindsey excluding Lincoln C.B.).

East Midlands

Derbyshire (except the High Peak District, which is included in the North West Region), Leicestershire, Lincolnshire (Parts of Holland, Parts of Kesteven and Lincoln C.B.), Northamptonshire, Nottinghamshire and Rutland.

East Anglia

Cambridgeshire and Isle of Ely, Huntingdon and Peterborough, Norfolk and Suffolk.

South East

Bedfordshire, Hertfordshire, Essex, Berkshire, Buckinghamshire, Oxfordshire, London (Greater London Council area), Kent, Surrey, Sussex, Hampshire, Isle of Wight and the Borough of Poole.*

South West

Cornwall (including the Isles of Scilly), Devon, Dorset (excluding the Borough of Poole)*, Gloucestershire, Somerset and Wiltshire.

Wales

The whole of Wales and Monmouthshire.

West Midlands

Herefordshire, Shropshire, Staffordshire, Warwickshire and Worcestershire.

North West

Cheshire, Lancashire and the High Peak District of Derbyshire (the Boroughs of Buxton and Glossop, the urban districts of New Mills and Whaley Bridge, and the rural district of Chapel en le Frith).

Scotland

The whole of Scotland.

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* Poole is in the South West Economic Planning Region but has been included in the South East statistical region pending the report of the Local Government Commission on this area.

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